



Queensland Audit Office
better public services

Investing for Success

Report 12: 2017–18



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Front cover image is an edited photograph of Queensland Parliament, taken by QAO.

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Reference to comments

In accordance with section 64 of the *Auditor-General Act 2009*, we provided a copy of this report to the Acting Director-General of the Department of Education. In reaching our audit conclusions, we have considered her view and represented them to the extent we deemed relevant and warranted when preparing this report.

A response was received from the Department of Education. It is in Appendix A.

Report cost

This audit report cost \$370 000 to produce.



Your ref:
Our ref: 2017-9163P



20 March 2018

The Honourable C Pitt MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

Report to Parliament

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled *Investing for Success* (Report 12: 2017–18).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Worrall', is written over a light grey horizontal line.

Brendan Worrall
Auditor-General

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KEY FACTS



Australia is ranked 39th out of 41 countries in achieving quality education¹



\$794.4 million of Commonwealth funding was available to Queensland state schools to improve student outcomes during 2014–2017²



1 261 Queensland state schools and education centres received Investing for Success funding in 2016³



Funding allocation was based on similar student/school characteristics of disadvantage as used in the Gonski review⁴

¹Source: <https://www.unicef.org.au/about-us/media/june-2017/Australia-scores-overall-average-in-latest-unicef>.

²Source: Department of Education.

³Source: Department of Education.

⁴Source: Queensland Audit Office, from information provided by the Department of Education and the Review of Funding for Schooling (Gonski Review).

Audit objective and scope

The objective of the audit was to assess the economy and effectiveness of the 'Investing for Success' initiative in supporting students, particularly those most in need, to achieve improved education outcomes.

We assessed whether the Department of Education (DoE, formerly the Department of Education and Training) managed the initiative in a way that effectively empowered schools to improve student outcomes (Chapter 2).

We also assessed whether schools have used Investing for Success funding to improve student outcomes in an economical manner (Chapter 3).

This audit focused only on state schools, including independent public schools (which operate more independently, with a school council).

As part of the audit we distributed an online survey to 61 principals and received 49 responses. These results are summarised in Appendices H, I and J. In this report, we refer to the results of this survey ('principal survey respondents') as well as the documents and interviews from visits to 17 state schools and four regional offices.

In addition to principals, teachers and DoE management, audit stakeholders include peak representative bodies for teachers and principals (Queensland Association of State School Principals, Queensland Secondary Principals' Association, Queensland Teachers Union, Queensland Association of Special Education Leaders Inc.) and P&Cs QLD (Parents and Citizens' Associations).

Summary

Introduction

Australia's student performance has been declining on international scales since 2000. Over the last 10 years, federal and state governments have delivered several reform initiatives to address this (as well as other issues). Education ministers across the country have documented their commitment to working together to achieve equity and improvements in Australian student performance.

School funding arrangements is one area governments have focused on to improve student outcomes. In 2011, the Australian Government commissioned David Gonski AC to chair a panel of experts in a national review of funding for schooling, known as the Gonski Review. The review found that Australia needed new funding arrangements to reduce the widening gap in student outcomes. It emphasised that funding should reflect principles of equity, where funds should be directed to students and school communities with greater potential to experience disadvantage.

Queensland schools benefit from needs-based funding to reduce the risk of educational disadvantage for:

- students from low socio-economic communities
- students from rural and remote areas for whom geographic isolation may be a potential barrier to achievement
- Aboriginal and Torres Strait Islander students
- students for whom English is an additional language or dialect, including refugees and students from culturally diverse backgrounds.

Students First federal funding

In 2013, the Australian Government introduced its 'Students First' national policy initiative. It included a new needs-based funding model for all Australian schools, reflecting key principles from the Gonski Review. This 'needs-based' model was intended to improve student performance by reducing the potential impact of disadvantage on students' ability to learn. States and territories now receive federal funding for schools using a revised model that recognises a range of potential disadvantage factors (such as disability and remoteness of locations).

Queensland's share of the extra available Students First funding was an additional \$794.4 million for state schools over four years from 2014 to 2017.

Great Results Guarantee

In 2014, the then Queensland Government approved the Department of Education (DoE) distributing Queensland's additional \$794.4 million in federal funding to over 1 200 state schools under a state-based initiative called 'Great Results Guarantee'. The initiative was designed to address potential disadvantage for Queensland students and schools. DoE instructed schools to use the funding to improve literacy and numeracy across the early years of schooling. This was to help students reach national minimum standards.

The Australian Government did not put any conditions on how DoE should allocate or report on the outcomes of the additional Students First funding. A key feature of the Great Results Guarantee initiative was that it gave school leaders and teachers independence to make decisions and develop programs to best meet the needs of their students. In line with this, DoE gave schools the autonomy to determine their own school improvement targets and evidence-based strategies. They were expected to meet their targets and be accountable to their school community. Schools received 12 months funding in 2014, and a further 12 months funding in 2015.

Investing for Success

In 2016, DoE changed the name of its state-based initiative from Great Results Guarantee to 'Investing for Success' and revised the needs-based funding model to reflect a change in state government policy. It strengthened how it targeted student disadvantage and allocated the remaining \$480 million of federal funding to schools over two years to give principals greater certainty about their schools' resourcing.

DoE removed the requirement for schools to focus on meeting minimum standards in literacy and numeracy and instead gave schools the flexibility to determine what school improvement strategies were required at their school. Once again, DoE did not prescribe what type of school improvement initiatives to fund.

DoE did not require schools to report back to it on how the funds were spent or whether they achieved the school improvement outcomes planned. Schools were instead required to demonstrate to their school community how the extra funding was helping to maximise student learning. It supported community reporting processes by creating an optional reporting template.

Improving student performance

The initiative (under both names) has been running for four years. Given Investing for Success only represents part of the total funding schools receive (less than 3 per cent), it is difficult to assess its impact on improving performance in isolation from other school improvement initiatives. We also acknowledge that external factors beyond the school context, such as family and cultural backgrounds, impact on student performance.

The Queensland Government has extended Investing for Success in 2018. Longer-term funding is subject to current negotiations with the Australian Government.

Audit conclusions

DoE has effectively used the additional federal funding to reinforce its strategic commitment to building a culture of continuous improvement in student and school performance. State schools across Queensland have had the benefit of the Great Results Guarantee and Investing for Success funding for four years. Schools have valued the opportunity to design targeted improvement initiatives made possible by greater access to performance analysis tools and additional funding.

While schools are now focusing on performance improvement, they are still maturing their skills in implementing and evaluating improvement initiatives. Many need more support and guidance in building evidence-based improvement programs that can be linked to measurable targets.

DoE effectively targeted the additional federal Students First funding for schooling to reduce the potential for disadvantage consistent with the Australian Government's policy intent. It did this by designing a needs-based funding allocation model that addressed factors of disadvantage identified in the Gonski Review. However, the Queensland Government's commitment that no school will receive less funding using the revised Investing for Success model detracts from the purpose and needs-based intention of the model. Top-up payments to enable schools to be 'no worse off' can erode the intended equity principles of a needs-based funding approach.

Investing for Success provided schools with the flexibility to determine what school improvement strategies best suited the needs of their students and communities. But its flexible design and short timeframe has made it difficult for schools and DoE to measure the impact of the funding on student outcomes in isolation from broader school improvement initiatives. While the schools we audited have generally directed their Investing for Success funds towards improving school/student performance, and in some cases achieving improvement, they have not been able to demonstrate a clear link between improved results and Investing for Success funding.

DoE's aim was to use the funding to encourage greater school autonomy within state schools and move away from historical centralised control over how schools operate. To balance greater school autonomy, DoE required principals to be held accountable by their communities (rather than by DoE) for spending the funding wisely. This model also encouraged greater engagement between school leaders, parents and the local community (such as parents and citizens' associations) about school improvement decisions.

However, the schools we audited did not always comply with community accountability or engagement requirements well. The community accountability models should only support, not replace, DoE's responsibility to monitor how schools are spending Investing for Success funding and improving student outcomes. DoE will need to refine its governance structures to balance ongoing school autonomy with accountability and monitoring of how government funding is spent. DoE will also need to consider the implications of future federal funding requirements that tie school funding to reforms that will improve student outcomes and strengthen accountability mechanisms. These future changes provide an imperative for schools (and DoE) to more clearly demonstrate how needs-based funding for disadvantaged students is linked to measurable outcomes, and to address the lack of compliance with reporting progress and outcomes.

Now that schools have further developed their understanding of school improvement, DoE has the opportunity to integrate future Investing for Success funding as part of schools' broader planning, budgeting, and reporting processes. An integrated approach would reflect, and continue to encourage, how schools are now repositioning school improvement as 'core business'. But it needs to be balanced with building greater confidence and capability in principals to make evidence-based expenditure decisions and be held accountable for how their initiatives improve performance outcomes. Integrated school improvement processes would also strengthen schools' ability to measure the overall impact of improvement initiatives and inform DoE's monitoring of system-level performance.

Summary of audit findings

Design and oversight

Establishing the funding initiative

At the time DoE established Great Results Guarantee in 2014, most schools did not have very well-developed school improvement strategies. Separating the initiative from core school funding was an important feature of DoE's cultural change across state schools to support local decision-making and focus attention on lifting school and student performance in the early days. DoE has used the additional funding to reinforce the importance for schools to develop a continuous improvement agenda.

However, DoE's decision to structure Investing for Success as a separate independent initiative with flexible targets and a broad objective has made it difficult for schools and DoE to measure its impact on student outcomes in isolation from broader school improvement initiatives. Currently, Investing for Success runs in parallel to other whole-of-school strategic planning, budgeting, and review processes. This has resulted in:

- the potential for duplication of administrative processes
- a lack of clarity about how schools should apply requirements and guidelines for targeted funding separate from other core funding processes
- challenges for schools in identifying the effectiveness and/or cost-effectiveness of the individual school improvement strategies
- challenges for DoE in evaluating the consolidated outcomes and cost-effectiveness of each of the various school improvement strategies across schools.

DoE now has the opportunity to consider integrating the Investing for Success funding into existing planning processes and budgeting systems to encourage a whole-of-school improvement focus. This approach assumes that DoE intends to continue to provide schools with flexibility and autonomy in how they use improvement funding. An integrated approach would enable future evaluations to measure all initiatives contributing to school performance collectively. It would also recognise that school leaders have further developed their thinking about school improvement over the last four years and are already demonstrating how it fits into the core business of running a school.

Funding formula and commitment

DoE has strengthened the Investing for Success needs-based funding model using extensive consultation to inform the revised approach. The model now has a much higher correlation to potential educational disadvantage than the earlier models because it focuses less attention on meeting national minimum standards and more on addressing disadvantage.

However, in 2016 when DoE revised its funding model, it adopted an approach set by the Queensland Government that no state school would be worse off than in 2015.

Therefore, where a school's allocation (calculated using the revised model) resulted in a lesser amount, a top-up amount was added to reach the school's previous funding levels. Top-up payments have undermined the purpose and equity of the allocation model and meant that two schools with similar student populations and community contexts may have received different allocations.

Some schools were not aware of the allocation formula for their total funding amount, despite DoE making a funding planner tool available. DoE does not require schools to take the loadings (based on factors of disadvantage) into account when making school improvement decisions. Schools and regions visited as part of the audit are still not always sure what they can spend the money on. They need clearer guidance from DoE on this, and on meeting their financial accountability requirements.

Guiding and supporting schools' investment decisions

DoE's move to a more autonomous and independent model for schools meant that principals developed a wide range of approaches to planning, budgeting, and reporting. Although DoE has progressively improved the detail and breadth of its guidance materials, we identified further opportunities for improvement. For example, some principals from schools we audited, and their assistant regional directors, were not clear about how to allocate Investing for Success expenditure based on the guidance materials they received.

Principals have different interpretations of what is an appropriate use of the funds and have demonstrated different degrees of compliance with DoE's requirements. They identified several areas in which they would benefit from more structured, targeted, professional support in delivering Investing for Success outcomes, including:

- managing and evaluating programs, and monitoring and reporting progress
- engaging with external stakeholders including the community.

A new stronger level of support reflects the changing role of school leaders, particularly their need to be more externally-focused and to improve school performance. DoE's School Improvement Unit is well-positioned to lift the quality of school improvement planning for all schools and provide more guided oversight for lower performing schools.

Monitoring school performance and expenditure

We found that DoE's monitoring and review processes covering Investing for Success did not provide it with sufficient visibility and assurance about schools':

- compliance with internal controls and requirements
- efficient and effective delivery of school improvement objectives
- financial management errors, irregularities and fraud risk management (in the context of Investing for Success funds)
- financial and performance management obligations being met in a timely, reliable, and accurate way.

Although DoE's four-yearly internal audit program covers school compliance with broad DoE accountabilities, it does not specifically address the extent that schools comply with Investing for Success-related funding requirements.

Many audit stakeholders, including principals from schools we audited, peak representative bodies and DoE senior executives, expressed a view that there needs to be more accountability and scrutiny over how schools are spending Investing for Success funding.

Evaluating Great Results Guarantee/Investing for Success funding outcomes

Queensland's student performance results across state schools have improved in some areas in recent years, particularly reducing the gap in meeting national averages for early years reading and numeracy. This aligns with the initial objectives of the funding initiative. But without evaluations and evidence to support it, DoE cannot attribute specific student and school performance outcomes to Great Results Guarantee or Investing for Success. DoE has not been able to provide clear advice to its minister about whether school improvement results are linked to the funding initiative. It also cannot provide advice on how Investing for Success has contributed to the range of other school improvement initiatives introduced over the same funding period from the past four years.

This ongoing limitation is due to the design of the initiative and timing of evaluations. Separately administering the additional federal funding to schools created the need to separately measure outcomes at a school level and system level. But DoE has reported that it could not evaluate effectiveness or cost-effectiveness/value for money of the first two years of the funding initiative (2014 and 2015) because it was too early to see discernible changes in performance indicators such as NAPLAN results. It also identified challenges in assessing impact because, due to the broad objective and flexibility, schools have implemented various strategies and did not collect consistent data. Many of the early evaluation limitations are unlikely to be completely addressed in DoE's current evaluation strategy covering all four years.

School implementation

How funds are invested

The 17 schools we audited are using the funds to implement a range of school improvement strategies reflecting the individual needs of their school. The flexibility of Investing for Success has enabled schools in vastly different circumstances to target funding to improve their students' achievements beyond meeting national minimum standards. Despite the broad objective of the initiative, over 90 per cent of principal survey respondents reported their key focus area is to improve English results.

Many initiatives are aimed at improving student learning by improving the quality of teaching practices in classrooms. This is consistent with DoE's broader teaching quality reforms that recognise the greatest lever for system improvement is developing the capabilities of teachers.

In 2016, most Investing for Success funds (\$300 million allocated; \$288 million spent) across all state schools were invested in staff (84 per cent: \$242 million). Our survey of principals reinforced this, with 92 per cent reporting they directed their Investing for Success funds towards employing staff to implement student learning programs (particularly literacy), improve student engagement, or professionally develop and support their teachers.

Although the highest expenditure category was staff costs, we found little evidence of schools taking a strategic approach to procuring human resources. Using Investing for Success funds to employ additional temporary staff has created a reliance on the future availability of the funds in some schools and creates industrial and budget risks for DoE should the funding not continue longer term.

Identifying school improvement opportunities

A large quantity and variety of student data underpins schools' and DoE's evidence-based approach to selecting school improvement strategies. Data literacy of school staff was an area of strategic importance for many of the schools and regions we audited. Since 2016, schools have received comprehensive performance data reports by DoE's School Improvement Unit, and audited schools referred to these reports when making Investing for Success decisions. But there was a lack of consistency in data collection and analysis practices. Schools use data to identify ways to improve student and school performance, but they use multiple collection tools to collect the same or similar information.

There are unique challenges for special schools in consistently comparing outcomes of student performance at a school and system level, but they have benefited from access to new performance indicator reports.

While schools have benefited from comparative data analysis reports over the last two years, DoE did not provide specific tools to help guide principals' access to appropriate research and evidence for the first three years of the initiative. DoE has now created the 'Evidence Hub', which is intended to help schools comply with the requirement to use evidence or research to inform investment decisions. Based on our audit, most principals do not appear to be using the Evidence Hub or attribute high value to using evidence or research to inform decision-making.

Investing for Success planning processes

Investing for Success planning, review, and reporting tools and processes are currently separate from whole-of-school tools and processes. This has led to duplication of effort. Some schools reported difficulties in preparing separate plans and felt this was inconsistent with a whole-of-school integrated approach to improvement.

Even though the separate process creates more work, some principals saw value in it. They appreciated the separate conversations with their school communities and regions about ways of targeting school improvement that were not dependent on 'business as usual' school operation resources.

The current Investing for Success template does not require schools to demonstrate alignment to other school strategic planning documents. The schools we audited were unable to clearly demonstrate how their Investing for Success initiatives aligned to their broader school improvement plans. Although we did not note major inconsistencies, we noted conflicts/misalignment between school improvement objectives and those of central and regional DoE offices.

Investing for Success plans we examined vary significantly in quality. The most common deficiencies include non-specific targets; difficulty demonstrating links between individual target areas, strategies and actions; and lack of cited research. Survey respondents reflected these deficiencies as identified gaps in principals' capability, who reported they are not confident in setting targets and would benefit from greater support in this area.

Consultation

Schools do not effectively obtain community input to their Investing for Success plans prior to having them approved. Many see consultation with their community as a symbolic step only. This is demonstrated by the schools who received approval of their plans from DoE before they tabled them with their community forums.

While DoE's community engagement requirements provide opportunities to increase parental involvement in their child's learning, some schools do not have community forums to consult with and others do not consider it valuable. Principal survey respondents placed less importance on consultation with their communities than on internal (school staff) stakeholder contributions. The culture of school independence and autonomy has resulted in some assistant regional directors (who are the principals' supervisors) taking a hands-off approach to their review of schools' Investing for Success initiatives. This limits the opportunity for robust consultation and continuous improvement, and impacts on accountability.

Demonstrating value for money

Most school principals at the schools we audited were conscious of value for money (spending the funds efficiently, effectively and economically). There were examples across schools of creativity and efforts to maximise value for money, such as creating multi-functional roles to promote efficient use of resources or employing strategic procurement approaches to make sure services were procured economically.

However, not all principal survey respondents separately included value for money or return on investment as a key consideration in their decision-making. Others identified difficulties in achieving value for money because of the design of the initiative as a separate funding stream/source.

We noted a few opportunities for improvement in financial management by schools we audited. Some had errors and areas of non-compliance with financial management requirements that we reported back to DoE.

Monitoring and reporting progress

DoE's accountability model for Investing for Success required schools to communicate progress to their school communities throughout the year, and to report on the results of their investment decisions at the end of the year.

Respondents from the principal survey indicated they increased the level of communication about school improvement progress to local parents and citizens' associations (P&Cs)/school councils from 2016 to 2017. But they reduced their level of end-of-year reporting about the results of their Investing for Success decisions.

We found similar findings at schools we audited—they provided limited reporting to the community about progress and outcomes achieved with the funding. Some did not have community forums, such as a P&C, and did not have an alternative community engagement and reporting strategy in place.

DoE's role in monitoring is not clear to all schools and regions we interviewed. There are conflicting views of the role of assistant regional directors within schools, and different approaches to monitoring principals. Most assistant regional directors proactively monitor Investing for Success, but some do not due to confusing interpretations of what increased autonomy for principals means.

Principals separately reported that they do not have the appropriate level of skill to set targets, monitor, and report on performance.

Measuring the impact of investments

We found that the schools we audited generally directed their Investing for Success funds towards improving school/student performance. They reported achieving their improvement targets in some cases but not all. They were not able to demonstrate a clear link between improved results and the Investing for Success funding.

Most schools we audited reported improvement outcomes as the actions or programs implemented with Investing for Success funding—in effect, they reported outputs rather than outcomes. There are many difficulties for schools in measuring long-term impact, in part due to the short time frame of the initiative, the unavailability of robust outcomes data and the broad nature of the outcomes sought by the initiative.

Schools can demonstrate that they have spent the funds on school and student-related items but not whether they have improved student outcomes. This is partly because many things influence student outcomes. It is not a one-for-one relationship with Investing for Success initiatives. In addition, schools did not always base their Investing for Success initiatives on evidence or set specific targets against which to measure success.

It is important to note that despite schools' inability to measure impact, the initiative received overwhelming support from surveyed Queensland state school principals. They assessed the initiative as either very important (98 per cent) or important (2 per cent) to supporting their school improvement work.

Recommendations

Department of Education

We recommend the Department of Education (formerly Department of Education and Training):

1. considers integrating future Investing for Success funding into broader school funding, improvement strategies and processes. (Chapter 2)
2. reviews the Investing for Success allocation model to ensure ongoing transparency, equity and continuous improvement of the needs-based approach (Chapter 2).

This should include:

- regular reviews of schools' funding needs and categories of disadvantage
- clear communication of future changes to funding categories and amounts.

3. clarifies Investing for Success governance structures (Chapters 2 and 3).

This should include:

- accountabilities and responsibilities of assistant regional directors and principals
- the appropriateness of community accountability models (parents and citizens' associations and school councils)
- oversight mechanisms for temporary school staffing employment decisions.

4. strengthens monitoring, reporting, and evaluation processes to better link investment decisions to school improvement outcomes. (Chapter 2)
5. provides more targeted guidance to schools in need of additional support to further lift the quality of school improvement plans, targets, and measures. (Chapter 2 and 3)
6. provides greater support and training to principals and assistant regional directors in the areas identified by surveyed principals during the audit, including strategic financial management, program evaluation, monitoring and reporting, and stakeholder engagement/community consultation. (Chapter 2)

1. Context

This chapter provides the background to the audit and the context needed to understand the audit findings and conclusions.

National school funding model changes

Australia's student performance has been declining on international scales since 2000 despite state and federal governments investing more in schools.

The United Nations Children's Fund (UNICEF) recently ranked Australia as 39th out of 41 high-and middle-income countries in achieving quality education. Only Romania and Turkey ranked below Australia.

Australia's performance has also declined in studies by the Organisation for Economic Co-operation and Development (OECD). Figure 1A shows that an average 15-year-old Australian student is now seven months behind comparative results in science from 2006 and a year behind in mathematics from 2003. Their reading ability has also declined.

Figure 1A
Australia's PISA results in 2000, 2012, and 2015

Subject	2000 (first year of the program)	2012	2015
Mathematics	6th	19th	25th
Science	8th	16th	14th
Reading	4th	13th	16th
<i>Total participating countries</i>	32	65	72

Note: PISA is the Programme for International Student Assessment (PISA), a worldwide three-yearly study by the Organisation for Economic Co-operation and Development (OECD). Countries are ranked by testing 15-year-old students in science, mathematics, reading, collaborative problem solving and financial literacy.

Source: Queensland Audit Office from PISA reports 2000, 2012, and 2015.

Reviewing national school funding

In 2008, Australian education ministers released the Melbourne Declaration. It provided a common focus for improving equity and excellence in schooling.

In 2011, the Australian Government commissioned David Gonski AC to lead a panel of experts to conduct a national review of funding for schooling. The report, *Review of Funding for Schooling* (commonly referred to as the 'Gonski Review'), identified two key weaknesses:

- There is an 'unacceptable link' between low levels of achievement and educational disadvantage, particularly for students from low socio-economic and Indigenous backgrounds.
- New funding arrangements are needed to reduce the widening gap between Australia's lowest and highest performing students.

Disadvantage in education is generally represented by both the socio-economic characteristics of students, and the average socio-economic characteristics of the community in which the schools are located. The Gonski Review identified broader factors of potential educational disadvantage beyond socio-economic status, including disability, Indigeneity, low English proficiency, and the regional/remote location of a school.

To address identified weaknesses, the Gonski Review proposed a more equitable schooling system that prioritised support for its lowest performing students and ensured educational outcomes were not adversely impacted by potential disadvantage.

A key recommendation was to create a funding model that provided a level of base funding to all schools and additional targeted funding to students most in need of support. This funding approach is called ‘needs-based funding’ because it delivers resources based on the specific needs of individual students and school communities aimed at removing inequities and minimising educational disadvantage.

Students First initiative—Australian Government

In 2013, the Australian Government introduced its ‘Students First’ national policy initiative. It included a new needs-based funding model that reflected key principles from the Gonski Review.

States and territories received their first year of Students First funding in 2014. Three jurisdictions (New South Wales, South Australia, and the Australian Capital Territory) agreed to participate in the formal funding arrangements, called the National Education Reform Agreement (NERA). The broad objective of the NERA was to provide high quality and equitable education for all students.

The participating states and territory were required to apply the federal needs-based funding model when distributing federal funds to their schools. The funding requirements were set out in the *Australian Education Act 2013* (the Act) and guaranteed future funding increases to reflect increases in student growth and indexation.

Queensland, Victoria, Tasmania, Western Australia and the Northern Territory did not participate in the NERA and instead received Students First federal funding as a national, specific-purpose grant over four years. Under the Act, they were referred to as non-participating parties and were able to independently decide how to distribute the federal funding to their state schools. They only had to commit to supporting federal education reforms such as implementing a new national curriculum and quality teaching practices.

Queensland Treasury was required to confirm to the Australian Government that the funding was distributed to the school education sector. No further acquittal requirements were applied.

Queensland's approach to ‘Students First’ funding

In late 2013, the Australian Government advised that Queensland would be allocated \$794.4 million of additional Students First funding for the period from January 2014 to June 2017. The Australian Government phased in the funding over four financial years from 2013–14 to 2016–17, as shown in Figure 1B. The Queensland Department of Education (DoE) receives its federal funding for schooling on a calendar year basis through equal monthly instalments commencing each January.

Figure 1B
Students First funding for Queensland 2013–14 to 2016–17

	2013–14	2014–15	2015–16	2016–17
Financial year	\$65.5 mil.	\$156 mil.	\$212.3 mil.	\$360.6 mil.
School year	\$131.3 mil. (2014)	\$183.3 mil. (2015)	\$299.5 mil. (2016)	\$180.3 mil. (half 2017)

Source: DoE, noting school year amounts include deferral of \$1.734m from 2013–14 to 2014–15, and include an amount of \$26 million brought forward from 2015–16 to 2014–15.

Distributing federal funds as Great Results Guarantee and Investing for Success

Great Results Guarantee (2014 and 2015)

In early 2014, DoE announced it was distributing the additional federal funds to all state schools over four years under a state-based initiative called Great Results Guarantee. This initiative was specifically focused on all students meeting national minimum standards for literacy and numeracy. Unlike other jurisdictions, DoE directly allocated the federal funding to schools separate from their core funding to encourage schools to focus on student improvement.

DoE designed a funding model using similar categories of potential disadvantage to those set out in the Gonski Review. Schools received a base amount per enrolled student and additional loadings that reflected specific student characteristics (for example, students with a disability or refugee status) and school characteristics (for example, remote locations).

DoE encouraged principals to make decisions based on the needs and input of their local school communities. Schools received 12 months of funding to use on school improvement initiatives in 2014, and another 12 months of funding in 2015.

Investing for Success (2016 and 2017)

In 2016, DoE revised Great Results Guarantee and renamed it Investing for Success to reflect a change in state government policy. After consulting with stakeholders, including teacher and principal representative bodies, DoE strengthened the funding model to align more closely to the Gonski Review recommendations.

Figure 1C provides a summary of how Investing for Success differed from Great Results Guarantee. (Appendix D contains a detailed comparison of the funding models for each.)

In brief, the changes introduced with Investing for Success included:

- having one standard base rate for all year levels and all school types
- increasing loadings for Indigenous and lower socio-economic status students
- providing loadings for non-refugee students from culturally diverse backgrounds with lower academic results in English
- discontinuing loadings for addressing low student performance in mathematics and English
- providing loadings for students with a disability in a mainstream school (previously only paid to special schools)
- providing loadings for schools located in regional and remote areas.

Figure 1C
Summary of Great Results Guarantee and Investing for Success

	Great Results Guarantee	Investing for Success
Key objectives	<ul style="list-style-type: none"> ▪ targeted to having all students meeting national minimum standards of literacy and numeracy, or with individual plans in place ▪ focused on Early Years (Prep–Year 2) in 2014 ▪ funding broadened to all years in 2015 ▪ gave autonomy to school leaders ▪ required community input/endorsement. 	<ul style="list-style-type: none"> ▪ removed requirements for meeting national minimum standards or having individual plans ▪ had a broad objective to improve student outcomes and school performance ▪ continued autonomy of school leaders ▪ continued community input/endorsement.
DoE support materials	<ul style="list-style-type: none"> ▪ suggested templates for agreements and progress reports ▪ gave examples of possible strategies and targets. 	<ul style="list-style-type: none"> ▪ same as Great Results Guarantee
How schools received funding	<ul style="list-style-type: none"> ▪ directly calculated and paid ▪ separate cost code introduced in 2015 ▪ two-year allocation: <ul style="list-style-type: none"> - 2014: \$131.3 million - 2015: \$183.3 million. 	<ul style="list-style-type: none"> ▪ directly calculated and paid ▪ separate cost code ▪ two-year allocation: <ul style="list-style-type: none"> - \$480 million over 2016 and 2017.
Accountability	<ul style="list-style-type: none"> ▪ individual agreements with the DoE Director-General (or school council for independent public schools) ▪ required to publish outcomes and report progress. 	<ul style="list-style-type: none"> ▪ amended individual agreements with director-general/school council ▪ required to report progress and success; principal to decide best format.

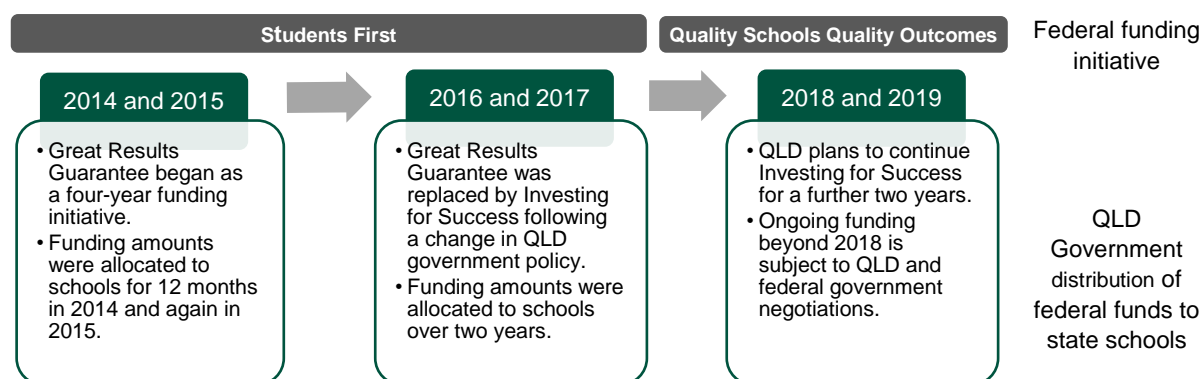
Source: Queensland Audit Office.

Proposed extension of Investing for Success (2018 and 2019)

Federal and state jurisdictions are currently negotiating future federal funding arrangements. An interim funding arrangement commenced in 2018 under the *Australian Education Act 2013*. Negotiations on longer-term arrangements are continuing at the time of this report. A new funding agreement based on a revised needs-based funding model will link federal funding to delivering outcomes in schools. It will replace the existing NERA and specific purpose grants with one single agreement for all states and territories. The reforms are part of the Australian Government's current Quality Schools Quality Outcomes policy initiative.

Figure 1D shows how federal funding has been allocated to state schools since 2014, as well as how Queensland has distributed the additional funds and plans to provide ongoing grant allocations to schools in future.

Figure 1D
Summary of Queensland's federal funding allocation



Source: Queensland Audit Office.

In June 2017, the then Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games approved continuing Investing for Success in 2018 and 2019 with minor changes to funding for annual indexation for revenue and increased enrolment.

While the precise details of the ongoing Australian Government funding arrangements for state schooling continue to be negotiated, DoE proposes to extend Investing for Success. This will provide schools with sufficient certainty of revenue to enable planning for the effective use of funding in the medium term. DoE, the Department of the Premier and Cabinet and Queensland Treasury are participating in negotiations with the Australian Government in relation to school funding. When the outcomes are known, they will be incorporated into future funding arrangements where appropriate and communicated to schools. As federal funding has not yet been secured beyond 2018, Queensland may have to fund any Investing for Success commitments out of its existing state budget.

If Queensland signs a longer-term agreement, it is likely to become subject to additional national policy initiatives determined by the Australian Government. According to the interim agreement, any future national reforms will consider the findings of all relevant reviews or initiatives that focus on driving improvement in education outcomes.

The following independent reviews will influence future federal policy reforms that the Australian Government will require states and territories to implement as a condition of receiving federal funding:

- A *Review to Achieve Educational Excellence* will look at how school funding should be used to improve school performance and student outcomes. David Gonski AC has been commissioned to lead this review, due to be released in early 2018.
- A review into regional, rural, and remote education will look at the factors affecting student performance. It will also consider how to support students' transition out of school. The review outcomes may lead to revised loadings for remote schools.

In addition, the Australian National Audit Office examined how Students First funding was monitored by the federal government. It made two recommendations in its *Monitoring the Impact of Australian Government School Funding* report (Report 18: 2017–18) that the federal government strengthens accountability arrangements and increases transparency over use of federal school funding. Its recommendations are expected to inform how the federal government will monitor school funding reporting and governance requirements for all states and territories beyond 2018.

School improvement in Queensland state schools

Great Results Guarantee and Investing for Success each formed part of the Queensland school improvement model, outlined in Chapter 3 and Appendix E. They have been enablers of school improvement and among many contributors to it. This section provides the context for how these funding initiatives fit within the state's overall strategic priorities to lift educational outcomes for all students.

Strategic focus on school improvement

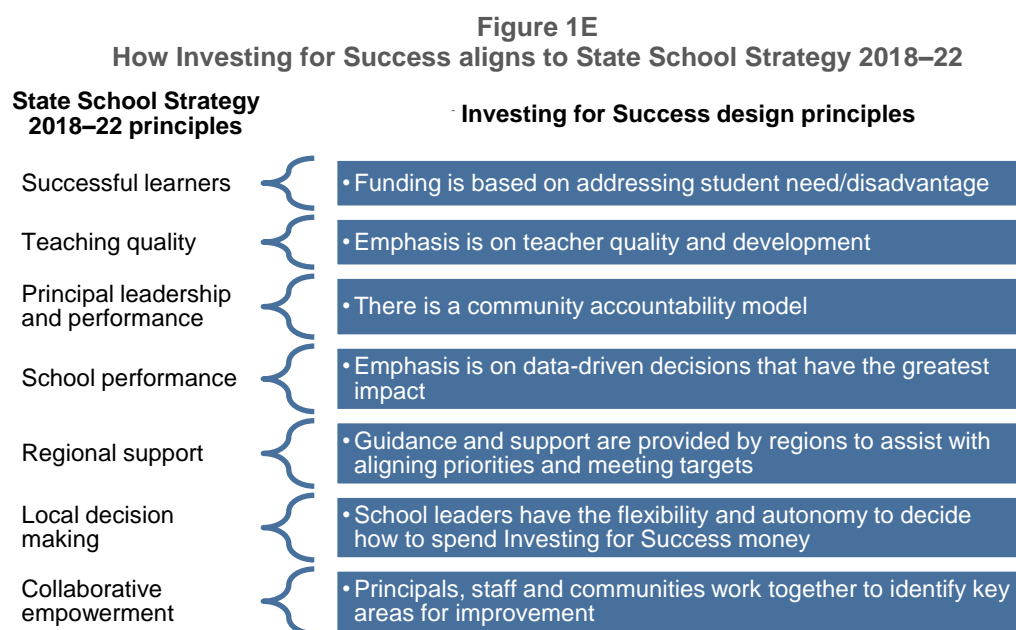
DoE's current school education targets (as set out in its Service Delivery Statement for 2017–18) focus on student improvements in learning outcomes, including:

- the meeting or exceeding of national minimum standards in reading, writing, and numeracy for years 3, 5, 7, and 9 students in National Assessment Program – Literacy and Numeracy (NAPLAN) results
- the attainment of a Year 12 certificate of education (or equivalent)
- engagement in post-school education.

DoE details its focus on school improvement in its *State School Strategy 2018–22* (the strategy). The strategy's principle objective is based on every student succeeding 'regardless of their background, postcode, personal circumstances, or ability'.

State performance goals in the strategy include lifting performance across the state school system and focusing on the specific learning needs of Indigenous and disabled students. The current version of the strategy emphasises school improvement and the importance of evidence and research.

Figure 1E shows how the design principles of Investing for Success aligns to the strategy.



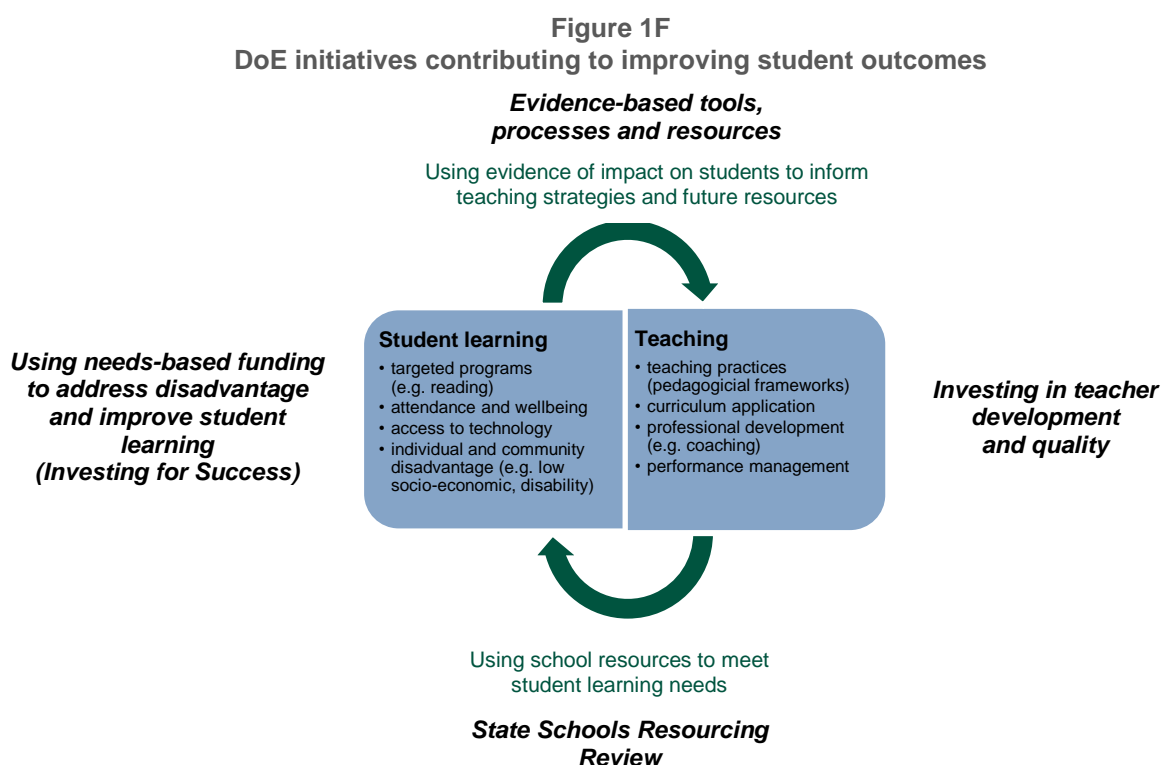
Source: Queensland Audit Office from DoE's *State School Strategy 2018–22*.

Initiatives that contribute to improving student outcomes

DoE has a comprehensive set of school improvement-focused initiatives designed to lift academic performance across the state school system. Investing for Success is one of the funding sources to support them. The initiatives work together to create positive learning environments for students by improving the way schools operate and by strengthening the way teachers teach (refer Figure 1F).

DoE's main school improvement initiatives include:

- using needs-based funding to address student disadvantage and implement programs that address student learning needs, wellbeing and access to resources
- providing evidence-based tools, processes and resources including an online research portal (the Evidence Hub), regular external reviews by the School Improvement Unit (SIU) and using data analysis and trend reports (such as school data profile reports) to inform future allocation of resources and teaching strategies (discussed in further detail in Chapters 2 and 3 and Appendix E)
- providing programs that support teachers' development and embed quality practices in the classroom
- reviewing how school resources are allocated (as part of DoE's State Schools Resourcing Review) by providing greater control to regions and school leaders about how to best allocate resources (such as staff) to address student needs.



Source: Queensland Audit Office.

Factors that influence student outcomes

The quality of teachers and the level of parental engagement are two key factors that influence student performance. But education researchers and experts have identified many more factors that relate to a student's individual and external circumstances. These factors are outlined in reports such as the Gonski Review (in its categories of disadvantage), John Hattie's 250 factors that influence student learning and the Australian Institute of Health and Wellbeing's 2017 headline indicators report on literacy. In general, influences can be grouped under:

- individual factors—such as beliefs and values, poor health, English proficiency, and history of child abuse
- family factors—such as domestic violence, family structures, and socio-economic status
- parental education—such as the level of qualification and employment
- location—such as students in outer regional and remote locations compared to students in metropolitan areas.

UNICEF recently stated in their 2017 Innocenti Report Card, *Building the Future: Children and the Sustainable Development Goals in Rich Countries*, that there is still a high level of disadvantage experienced by Australian children, especially those with disabilities or from Aboriginal and Torres Strait Islander backgrounds. They noted that disadvantaged children are at risk of falling further behind at school, and that their reading skills lag up to three years behind other students.

Diversity across Queensland's schools

There are vast differences between state schools in Queensland. For example, there are schools in far north regional Queensland with less than 20 students, and large, combined primary and secondary schools in metropolitan Brisbane with thousands of students and hundreds of staff. A one-size-fits-all approach to improving student outcomes does not work.

Queensland students and schools present similar learning needs and potential disadvantage to those experienced in schools across all Australian jurisdictions. The nature of Queensland's population benefits from educational services that are targeted to:

- high rates of low socio-economic communities and developmentally vulnerable children
- geographic diversity that requires education to be delivered across many remote and rural areas
- higher than average Aboriginal and Torres Strait Islander student enrolments
- high rates of students who do not speak English as their first language, including refugees and children from culturally diverse backgrounds.

Of the 1 261 state schools in Queensland, 250 operate as Independent Public Schools. These were established by the Australian Government in 2013, as part of the Students First initiative. They were intended to be more independent and to operate like non-government schools.

Because of the different contexts in which schools operate, DoE encourages all state school principals to make decisions about how to implement school improvement priorities that best reflect their local students and community.

Roles and responsibilities

Shared government funding of state schools

The state and federal governments share responsibility for funding schools. State governments provide most of the funding for state schools.

The *Australian Education Act 2013* is the principal mechanism for distributing federal funding to states and territories. The Australian Government can supplement state school federal funding through funding agreements or grants tied to specific program outcomes or initiatives. DoE passes some or all of the funding to Queensland state schools using its own resource allocation model or in line with specific requirements under particular agreements/grants. Investing for Success is one example of how federal funding is allocated to state schools.

Structure of Queensland's state school system

Department of Education (DoE)

DoE has overall responsibility for the state school system including:

- setting the curriculum (within national guidelines)
- administering the school system (for example, employing principals and teachers).

The DoE Director-General is authorised to give direction or guidance to principals about a function or power under the *Education (General Provisions) Regulation 2006*.

The Internal Audit branch of DoE oversees school compliance with a range of operational and financial reporting and compliance requirements.

Regions

The state school system is dispersed across seven regions. In this audit we visited 17 schools from four regions: Metropolitan, South East, North Coast, and Darling Downs South West.

Each regional office is led by a regional director and supported by several assistant regional directors. Each assistant regional director has approximately 30 schools in their portfolio and acts on behalf of the DoE Director-General as supervisor to principals.

Principals

Principals are the leaders of a school and report to assistant regional directors. Independent Public Schools have a different governance model to other state schools, with formally established independent school councils. In these schools, principals report to their school council and are directly accountable to the DoE Director-General. DoE's move towards greater autonomy for state schools is changing the relationship between principals, the regions, the school community, and the Director-General.

Relevant guidance and legislation

Financial accountability and value for money

DoE is required to achieve value for money when delivering state school services, and is bound by Queensland's financial management framework as set out in the:

- *Financial Management Act 2009*
- Financial and Performance Management Standard
- Financial Management Accountability Handbook (the handbook).

The handbook requires agencies to adhere to a range of reporting and monitoring requirements, including to:

- identify and prioritise objectives
- monitor budgets
- assess if intended benefits are delivered by continuously evaluating services, activities, and programs against defined needs and objectives.

Public sector agencies like DoE have a responsibility to publicly report on performance as part of their accountability obligations. In 2014, the former Queensland Auditor-General commented in his *Monitoring and Reporting Performance* report (Report 18: 2013–14) to the Queensland Parliament that accountability obligations extend to demonstrating the effective stewardship and responsible use of taxpayer-funded resources.

The principal of a state school is similarly responsible for managing a school in a way that ensures effective, efficient, and appropriate management of public resources. The principal is considered the accountable officer for managing government funding for a school and is bound by the same financial management framework as DoE.

Governance

Queensland's financial management framework also sets clear requirements for DoE to maintain effective internal controls for the way in which public funds are spent. For example, Volume 2 of the handbook requires DoE to ensure:

- education services are delivered efficiently and effectively
- financial and management information is accurate and reliable
- all financial, regulatory, and operational requirements are complied with
- risks and potential inefficiencies are identified and managed.

DoE accountability requirements for school funding

State schools receive both core and targeted government funding from DoE. Core funding relates to the general operating expenses and resources for a school, such as teacher salaries. Targeted funding is usually for programs requiring specific outcomes, such as the maintenance backlog program. However, Investing for Success has been set up as targeted funding but does not have a specific outcome. It is to be used broadly by schools to improve student outcomes. The guidelines are not specific about what Investing for Success can and can't be used for.

Schools are required to report on targeted government funding, to assure the director-general that funds have been spent in accordance with prescribed guidelines and have delivered intended outcomes. DoE's Investing for Success instructions to schools (examined in Chapter 3) align with this requirement for prescribed guidelines.

DoE's *School Planning, Reporting and Reviewing Framework* and the *School Improvement and Accountability Framework* are two key policy documents that provide requirements and expenditure guidelines to assist schools demonstrate their accountability.

2. Design and oversight

This chapter analyses how well the Department of Education (DoE) set up and administered the Investing for Success initiative (previously called Great Results Guarantee). It also assesses the appropriateness of the funding allocation formula.

Introduction

Great Results Guarantee was designed to deliver \$794.4 million of additional federal funding from the national 'Students First' policy initiative to Queensland state schools. The funding initiative was intended to address potential disadvantage for Queensland students and schools. It initially focused on improving outcomes in literacy and numeracy for students in early years of schooling (Prep to Year 2).

In 2016, DoE renamed the initiative Investing for Success to reflect changes to state government policy. It was refocused to address potential student needs at all levels of schooling up to Year 12. DoE did not prescribe the type of improvement initiatives that schools were to implement with the federal funding. Schools were given the autonomy to spend it according to the needs of their local community.

Investing for Success has been used by schools as a dedicated school improvement budget that is separate from core funding for general operations. DoE did not require schools to report back on how it spent the funds. Instead, it required them to demonstrate to their school community how the extra funding was helping to maximise student learning outcomes.

Regardless of the reporting arrangements, DoE and schools are required to demonstrate they have administered all school funding (state and federal) in compliance with the general principles of financial accountability and performance set out in the Queensland *Financial Accountability Act 2009* and Financial and Performance Management Standard. In brief, DoE and schools are required to:

- achieve reasonable value for money by ensuring the operations of the state school system are efficient, effective, and economical
- establish and maintain appropriate systems of internal control and risk management consistent with the *Financial Management Accountability Handbook*.

In the context of Investing for Success, we expected to find DoE met these accountability requirements by:

- setting clear and appropriate objectives for the funding
- effectively supporting schools in making investments in school improvement strategies using Investing for Success funding
- effectively monitoring schools' use of the Investing for Success funding
- demonstrating appropriate financial monitoring and oversight systems
- conducting timely evaluations to inform policy development and implementation.

Given Great Results Guarantee is no longer current, we focused our analysis predominantly on how the last two years of federal funding has been administered under the Investing for Success initiative. We also examined whether the revised funding model under Investing for Success meets the recommended principles set out in the 2011 Gonski Review, including whether funding is effectively targeted to reducing disadvantage in Queensland state schools.

Complying with accountability requirements

Figure 2A is a summary of our key findings which we explore further in this chapter.

Figure 2A
Summary of DoE's consistency with accountability requirements

Requirement	Consistency of DoE's practices for Investing for Success
Design and governance	
Setting clear and appropriate objectives for the funding	Inconsistent—DoE designed Investing for Success with a general objective for schools to focus on school improvement. This has created a diversity of school improvement strategies that has limited DoE's ability to evaluate results at a school level or system level in isolation, including whether they have been effective in improving student outcomes and cost-effective.
Effectively supporting schools in making investments in school improvement strategies using Investing for Success funding	Partially consistent—Schools were provided with structured guidance and online tools to support their decision-making in the third year of the combined four-year funding initiative (Great Results Guarantee and Investing for Success). There are different approaches across regions in the support assistant regional directors (ARDs) provide to principals due to lack of clarity about roles and responsibilities.
Effectively monitoring schools' use of the Investing for Success funding	Inconsistent—There is no consistent oversight by regions/DoE about how schools are spending Investing for Success funds, including whether schools are meeting their accountability requirements to report progress and outcomes.
Demonstrating appropriate financial monitoring and oversight systems	Partially consistent—While there are a number of monitoring mechanisms and a central DoE finance system charge code to record Investing for Success expenditure, some schools are using external budget management practices that are not visible to regions/DoE. There is also no requirement for schools to formally acquit their funds prior to receiving their next year's allocation.
Conducting timely evaluations to inform policy development and implementation	Inconsistent—DoE's evaluation strategy for Investing for Success was planned 18 months after it commenced in 2016. Due to the structure/design of Investing for Success, DoE's inability to evaluate outcomes from Great Results Guarantee also applies to the current 2017 evaluation approach for Investing for Success.
Funding model	
Funding model is needs-based	Consistent—There is a strong correlation between level of funding and educational disadvantage.
Funding model is fair, equitable, and transparent	Inconsistent—The use of 'top-up' payments tying school funding to 2015 levels have eroded the fairness and equity of the needs-based model. DoE's funding planner has provided greater transparency about how schools are funded, but there is no link between the formula and how schools invest the funding towards reducing potential disadvantage.

Source: Queensland Audit Office from Queensland Government's Financial Management Handbook, Volume 2 and Review of Funding for Schooling (Gonski Review) 2011.

Enabling school improvement strategies

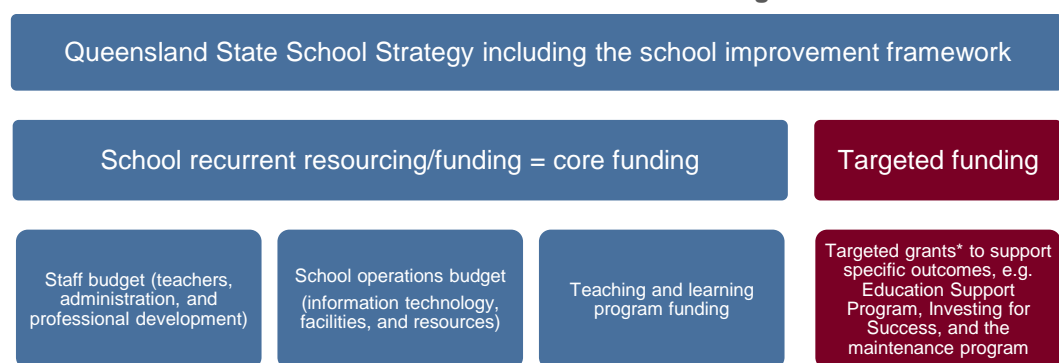
Establishing the funding initiative

In late 2013, the Australian Government allocated Queensland's share of the Students First funding as a joint commitment to addressing student needs and improving educational outcomes.

Unlike in other states and territories, DoE allocated its additional federal funding to schools as a separate, targeted funding stream. In Western Australia, New South Wales, and Victoria for example, education departments roll up the Students First federal funding into their state schools' core funding (recurrent funding for operating the school and learning programs). A rolled-up approach allows other jurisdictions to pool school funding and apply it to a broad range of initiatives directed to school improvements. Appendix C provides more details on these states' funding models.

Figure 2B shows Queensland's overall school funding model. DoE provides Investing for Success (and previously Great Results Guarantee) to schools, along with other targeted funding to support specific outcomes. This is separate to recurrent core funding for school operations and resources. However, unlike other targeted funding initiatives, Investing for Success does not have a specific target. DoE set a broad outcome to deliver improved student outcomes.

Figure 2B
Queensland's overall school funding



Note: *Although DoE refers to targeted grants, these funds are not set up as formal grant programs according to the Queensland Government's Financial Management Handbook, Volume 6.

Source: Queensland Audit Office.

DoE set up Investing for Success as a separate independent initiative running in parallel to other whole-of-school strategic planning, budgeting, and review processes.

DoE removed the need to meet standard administrative requirements by not structuring either Great Results Guarantee or Investing for Success as:

- a formal program
- a grant
- part of a school's core funding.

Instead, it created new administrative processes to fulfil accountability requirements. It designed a one-page template plan/agreement for schools to use to identify what they would do with the funds and how they would measure their successful use of those funds. DoE required schools to spend the funds in accordance with its guidelines (referred to as 'instructions') but they were flexible in terms of what schools could use the funds for.

Our audit found that the separate administrative requirements resulted in:

- additional processes for planning and reporting on the separate funding stream
- some confusion as to what requirements and guidelines schools were expected to apply in managing the separate funding
- challenges for schools in identifying the effectiveness and/or cost-effectiveness of individual strategies implemented with the funding. For example, when it takes a suite of improvement initiatives to achieve an outcome, such as improved student literacy results, it is difficult for schools to measure the effectiveness of one element funded by Investing for Success as distinct from other teaching and learning activities
- challenges for DoE in evaluating consolidated system-wide outcomes from a wide variety of initiatives across schools.

Audit stakeholders (such as principals and assistant regional directors) raised the following concerns about the separate structure, particularly if Investing for Success is to continue long term:

- duplication of effort and processes (data analysis, prioritisation, selection of strategies, and stakeholder consultation)
- uncertainty about the continuity of the initiative, which discourages schools from spending the funding in full
- high, unrealistic expectations about the impact of the funding, especially for schools in which Investing for Success is a small proportion of their overall resource allocation
- greater risk of conflicting priorities/agendas between schools, regions, and systems
- misunderstandings about the extent of principals' independence about financial delegations and scope of decision-making power.

Appendix J includes principal survey respondents' free-text comments that provide examples of why Investing for Success has been important, but also some examples of the practical challenges school leaders have experienced. We explore these issues further in this chapter and in Chapter 3.

It is important to note that at the time DoE established the Students First funding as Great Results Guarantee in 2014, most schools did not have very mature school improvement strategies. Separating the funding was a way of focusing on lifting school and student performance in the early days and encouraging local decision-making.

Despite the challenges noted above, there have been many benefits of emphasising the importance of Investing for Success as additional funding. Audit stakeholders including schools, regions, and DoE identified that it:

- emphasises the ability of schools to make locally-informed investments in school improvement that reflect the unique contexts of their students and communities
- encourages critical thinking and creativity
- highlights the concept of additionality—that Investing for Success funding is in addition to the standard core funding that each state school receives
- creates the expectation of results over and above those expected from the standard core funding
- maintains the funding initiative's visibility, precluding the funding from being 'buried' in the overall school budget and losing focus on Investing for Success strategies within the broader school improvement agenda.

Integrating Investing for Success

In the final year of a four-year funding initiative, schools have grown in their approach to consider school improvement as part of their core business. Audit stakeholders such as schools, regions, and DoE senior executives reported that Queensland's state school system has evolved significantly over the last four years through:

- a strategic system focus on school improvement
- new frameworks and tools to build greater confidence for principals in implementing locally-informed improvement strategies and using school resources flexibly
- changing the focus of school decision-making from operations to performance.

If the funding is made available longer term, DoE should consider the costs and benefits of designing alternative funding structures. As a start, it should evaluate the administration efficiencies to be gained in building Investing for Success into schools' recurrent funding model versus the benefits in keeping it separate. Making it part of the recurrent funding model would reflect schools' current view of performance improvement as part of their core business, rather than a supplementary process.

DoE could enhance its existing online tools and systems to better integrate planning and reporting that help schools link investment decisions to local, regional, and system-level improvement priorities. This would further reduce the administrative burden on schools and support a whole-of-school performance focus. For example, New South Wales' School Planning and Reporting Online software integrates school planning, self-assessment, annual reporting, and external validation. Schools there use the online process to plan, self-assess, and report in a way that links monitoring of progress to school improvement targets and strategies.

Linking planning and reporting systems to each other would also support schools' ability to directly self-assess implementation progress against specific targets. This would help inform decisions about whether they need to adjust their plans throughout the year. In Chapter 3, we outline the benefits of this approach to effectively measuring outcomes.

Integrating planning and reporting would be in line with DoE's proposed new approach to school budgeting, which is part of its *State School Resourcing Review*. DoE's new school budget information system, due to be completed in 2018, will support schools to make decisions about using all available resources (staff and funding) to improve student and school performance. This approach builds on DoE's focus of greater autonomy for school leaders when allocating resources.

Examples of free-text comments from principal survey respondents (refer Appendix J) about the impact of integrating Investing for Success include: 'Allow Principals to integrate the outcomes and expenditure into the overall Annual Improvement Plan and not remain a standalone and separate document/plan'.

Some benefits of integrated school budgets reported from other jurisdictions are that:

- there is increased operational flexibility for schools
- schools can plan and allocate resources from one consolidated funding source
- it encourages a focus on teaching and learning by reducing reporting requirements for multiple funding sources or programs.

Allocating funding based on student needs

Early funding model: Great Results Guarantee (2014 and 2015)

Although Queensland is not a signatory to the National Education Reform Agreement (NERA), in 2014 DoE used the recommendations from the 2011 *Review of Funding for Schooling* (the Gonski Review) to determine how much funding each state school would receive under Great Results Guarantee.

DoE's ability to consult on the funding model was constricted due to the timing of negotiations with the federal government about national education funding. Queensland received notice that Students First funds were being distributed in late 2013. DoE acknowledges that initial school funding amounts were determined at very short notice for schools to have access to the funding for the 2014 school year.

The 2014 model reflected the Gonski Review's six factors of disadvantage that can affect education outcomes. These were: low socio-economic status, Indigeneity, limited English language proficiency, disability, remoteness of location and small school size.

Funding amounts varied based on the size and location of schools, and characteristics of the student population. Some schools received under \$100 000. Others with larger student enrolments and higher levels of disadvantage received over \$1 million. DoE calculated funding to schools using:

- a base amount for each enrolled student. Different amounts were allocated for each school type—special school (students with disability), primary school and secondary school
- loadings that applied to school and student characteristics of disadvantage including disability, Indigeneity, refugee status, and low socio-economic status. Loadings were also applied for students who were not performing well in English and mathematics, and for additional administration staff support for medium to large schools.

Schools were uncertain about what funding they would receive the following year and most focused on short-term improvement priorities in 2014. Schools only received 12 months of funding again in 2015 because Queensland's state election was called in January, and the impact of future state policy changes was unknown.

Current funding model: Investing for Success (2016 and 2017)

To align with a change in state government policy in 2016, DoE revised the Investing for Success needs-based funding model following consultation with regions and peak bodies. It also allocated the funding over two years to provide schools with longer-term certainty about their school improvement budgets. Appendix D provides details of how Investing for Success differed from Great Results Guarantee.

We expected to see DoE apply the Gonski Review's education funding principles when it redesigned the needs-based funding model by:

- addressing the needs of students and schools
- applying equity principles such as ensuring a fair, logical, and practical allocation of public funds
- supporting transparency and clarity.

We found that DoE designed the Investing for Success funding model to better support student needs in Queensland by incorporating feedback from stakeholders and making it more consistent with the Gonski Review model. For example, DoE:

- increased loadings for students from low socio-economic backgrounds and Indigenous students in proportion to other categories of need
- included a school-based loading for size to ensure small- to medium-sized schools had sufficient resources to provide quality education services.

However, schools would benefit further if DoE refined the model to:

- reflect variations of disadvantage (such as students with multiple disabilities)
- make the model more transparent and equitable by revising its current approach to apply 'top-up' payments to schools based on historical commitments that may no longer reflect equivalent levels of educational disadvantage
- review schools' funding needs based on their student populations each year
- review the categories of disadvantage to address future challenges for individual students and schools
- clearly communicate future changes to schools about funding categories and amounts.

Funding in response to need

We assessed the strength of the Investing for Success needs-based formula by calculating the correlation between funding per student per school and the following measures of school disadvantage:

- the percentage of students who achieve below the national minimal standard (NMS) in the National Assessment Program – Literacy and Numeracy (NAPLAN), aggregating all NAPLAN year levels and domains using weighted averages into one single percentage per school
- the Index of Community Socio-Educational Advantage (ICSEA), which is a scale of socio-educational advantage, combining the characteristics to which student educational performance is related
- the School Disadvantage Index, which measures the relative level of socio-economic disadvantage in communities based on a range of characteristics including income, educational attainment, unemployment, and occupation.

The results are shown in Figure 2C.

Figure 2C
Correlation between measures of disadvantage and funding per student

Year of the initiative (Great Results Guarantee/Investing for Success)	Correlation to below NMS	Correlation to ICSEA	Correlation to School Disadvantage Index
2014 (Great Results Guarantee)	9% (very low)	25% (low)	38% (low)
2015 (Great Results Guarantee)	12% (very low)	33% (low)	36% (low)
2016 (Investing for Success)	42% (moderate)	63% (high)	82% (very high)

Source: Queensland Audit Office

The Investing for Success formula in 2016 has a much higher correlation to potential student disadvantage than the earlier models used in 2014 and 2015, indicating that the model is targeted to students most at risk of lower educational outcomes.

Within potential categories of disadvantage, individual students' performance varies significantly. As mentioned earlier, the current Investing for Success model does not account for these variations within loadings for categories of disadvantage. Some audit stakeholders noted this as a limitation, and that actual student performance could be incorporated into the allocation formula. DoE removed links to students' learning proficiency, such as English and mathematics results, from the previous Great Results Guarantee funding model from 2014 and 2015. However, education departments in some other jurisdictions have incorporated elements of actual student performance into their funding models (as shown in Appendix C).

Equity principles such as fair, logical, and practical funding allocation

In 2016 when DoE revised its funding model as Investing for Success, it adopted an approach set by the Queensland Government that no state school would be worse off than 2015. Therefore, where a school's allocation (calculated using the revised model) resulted in a lesser amount, a top-up amount was added to reach the school's previous funding levels. This has tied funding allocations to historical 2015 amounts that are not strongly correlated to the level of disadvantage at a school (demonstrated in Figure 2C).

In 2016, approximately \$6.2 million (2.6 per cent of the total 2016 allocation) in top-up funding was required across almost 250 schools to ensure no school received less in 2016 and 2017 than in 2015, even with the same/fewer students. Some schools received over \$200 000 in top-up funding in 2016. This approach also applied to the 2015 Great Results Guarantee funding, where over \$150 000 was allocated across 84 schools to ensure they did not receive less than in 2014, even with fewer students.

The practice of applying top-up payments undermines the purpose and equity of the funding model in terms of addressing school and student disadvantage. Two schools with similar student populations and community contexts may receive different allocations.

An alternative approach would be to review funding amounts to schools each year based on student enrolment information. This would enable DoE to redistribute funds to schools that need it the most based on their student population rather than providing additional funds to schools with lower levels of disadvantage.

Transparency and clarity

DoE consulted extensively on the Investing for Success allocation model with the Queensland Teachers Union, the Queensland Association of State School Principals, and the Queensland Secondary Principals' Association. DoE did not have an opportunity to conduct the same level of consultation in 2014 due to the Australian Government's timeframes. There was also very little consultation by DoE about a potential revised formula in 2015.

Schools can access a school funding planner (the planner) on DoE's central finance online system (OneSchool) that breaks down their total Investing for Success funding amount between base and loadings (refer to Appendix D for more detail). For example, a 500-student school with 50 refugee students would be able to use the planner to see that their funding amount included:

- a loading of \$6 250 for each refugee student plus a base amount of \$220 (\$6 470 per refugee student) totalling \$323 500—intended to reduce potential disadvantage for those students
- base funding of \$220 for each of the other 450 students (totalling \$99 000)
- total targeted funding for the school of \$422 500 (in addition to their core funding).

Most schools we audited reported that they have used the planner to help decide what they will use the funding for. However, they have not necessarily prioritised school improvement investment decisions using the loadings in their funding amounts. A few schools were not aware of the planner or the formula used for their total funding amount and did not take the loadings into account when making investment decisions.

If Investing for Success funding continues, there are opportunities for DoE to build in more transparency about how schools link their needs-based funding to their student population, to ensure funds are directed to students most in need of additional support. New South Wales, for example, required their schools to demonstrate this link prior to introducing a fully integrated school operations resourcing model in 2017. (Appendix C provides more details.)

The appropriate allocation of Investing for Success funding is reliant on the accuracy of confirmed student enrolments, referred to as Day 8 numbers (students enrolled on Day 8 of the first school term). There are risks to the accuracy of funding amounts if DoE does not identify internal control deficiencies related to enrolment information at the school level (for example, verifying a student's refugee status with supporting visa documentation).

Schools need greater clarity and guidance from DoE about how to ensure investment decisions meet their financial accountability requirements, both as stewards of government funding and as leaders of improved school performance.

Guiding and supporting schools' investment decisions

Investing for Success funding has helped school leaders focus on making decisions about school improvements. DoE used the additional funding to create and reinforce a culture of independence, discretion and continuous improvement.

The *Financial Accountability Handbook* requires DoE to guide and support recipients of the funding to ensure they comply with financial management and performance requirements. Although DoE has progressively improved the detail and breadth of its guidance materials, we identified further opportunities for improvement during this audit. For example, DoE could provide stronger advice on performance measurement, reporting, and evidence-based decision-making.

Instructions to schools

DoE's move towards a more autonomous and independent model for state schools meant it did not provide any prescriptive guidelines to principals about how to allocate Investing for Success expenditure. Its instructions to schools were to:

- enter into an agreement with DoE committing to investing the additional funding to improve student outcomes and school performance. (Independent Public Schools were to enter into the agreement with their school councils.)
- outline in the agreement how funding would be invested to improve student outcomes and publish the agreement on the school website
- measure student performance throughout the year and demonstrate to school communities how Investing for Success funding helps to maximise outcomes for all students, particularly those in most need of support
- report to the community each year on the success of the Investing for Success initiatives
- track expenditure through a dedicated cost centre (available since 2015).

While school principals at schools we audited appreciate the autonomous decision-making aspect that the Great Results Guarantee/Investing for Success funding created, the absence of clear guidelines has led to:

- different approaches to planning, budgeting, and reporting—in some cases targeted to school improvement, and in others to addressing other school budget pressures
- different interpretations of what is an appropriate use of the funds—for example, spending funds on school facilities upgrades, or spending them specifically on learning programs
- varying degrees of compliance with DoE's instructions to schools about using the funds.

We discuss these points further in Chapter 3.

Guidance to help schools make evidence-based decisions

Evidence-informed practices and tools are an important part of DoE's governance structures. They are intended to support principals' broad discretion in spending the Investing for Success funds.

As mentioned, the governance structures were limited in the first three years of the four-year combined funding initiative. This meant:

- Public accountability obligations set by both the Queensland Government and DoE were not consistently met because schools did not have a solid evidence base to inform plans, set performance targets and assess the effect of expenditure decisions.
- Schools were expected to rely on their individual capability and experience to assess and evaluate whether school improvement decisions were appropriate and effective in their local context.

School performance reports

Since 2016, DoE has provided schools with performance reports as part of their school review process (from the School Improvement Unit (SIU) to help principals make evidence-based improvement decisions:

- School data profile reports and reports that contain key school performance indicators (called headline indicator reports) as part of the school review process. These provide local school trend information by comparing the school's performance against similar schools, school type, Queensland state schools and national results.
- Headline indicator reports are a high-level snapshot of selected school datasets. They provide a common starting point for schools to further investigate other school-based data and evidence, monitor their performance and plan for improved student outcomes.

The SIU is a stand-alone unit reporting directly to the director-general. Its organisational independence is well-positioned to provide system-level insights about improving state school performance and to improve the quality of school improvement planning and oversight for lower performing schools. For example, its 2016 annual report, *Queensland: A state of learning* (published in November 2017) summarises findings and recommendations from 366 school reviews to provide an overview of school improvement practices and next steps. The SIU's key findings are reflected in the schools we audited:

- Schools need to bring more clarity and precision to the improvement planning process in schools.
- Improvement agendas and expectations need to be carefully operationalised to specify expectations and targets, how they will be achieved and how progress will be monitored.
- Specific, measurable and data-informed targets, defined as student progress against curriculum achievement standards and developed for each priority, need to be well aligned with other strategic documents.

The SIU's 2016 annual report also notes that for special schools reviewed, while the collection of data was comprehensive, the processes of analysing and using data to inform targeted teaching were less developed and that there was limited alignment between their data collection processes and school improvement priorities.

Evidence and research

In 2015, DoE identified that schools required more guidance on how to better allocate resources towards improvement strategies. In July 2016, it launched the Evidence Hub as an online portal of research that includes local evidence-based case studies, research and support materials for all state schools.

The Evidence Hub is still in development, but it is effective in sharing local examples of innovative practice that encourage schools to learn from each other's improvement experiences. DoE has created other tools to help schools better use data and evidence, such as the Standards of Evidence, to assess the link between what they've done and what they've achieved (refer to Appendix E for more detail).

DoE is currently working with 14 schools as part of a pilot project to determine how it can better support schools and regions to plan, monitor, and review their school improvement initiatives to support system improvement. Groups of schools work voluntarily with DoE to plan, implement, evaluate, and document initiatives funded through Investing for Success using their own school improvement experiences. Participating schools agree to:

- use a revised Investing for Success agreement template
- plan, implement, evaluate, and document the initiatives using DoE's Standards of Evidence to identify high quality strategies that can be expanded
- submit an evidence study for the Evidence Hub.

The project began in Term 4, 2016 and DoE will provide support until Term 1, 2019 to finalise evidence studies that can be shared among schools and regions.

DoE should make these resources available to more schools before 2019 where possible to leverage expertise within DoE related to performance and planning, evaluation, and data analysis. Schools would benefit from more structured guidance on how to monitor their performance and understand the impact of their school improvement decisions as Investing for Success funding continues in 2018.

Supporting principals' independence and responsibilities

The principal plays a vital role in shaping the way a school delivers education to ensure students have the skills, knowledge, and creativity to succeed in the global economy.

The role of principal is recognised as reaching beyond teaching and learning, and now extends to business manager, statistician, counsellor, and leader. Principals play an essential role in delivering the vision of DoE by improving educational outcomes for students in their schools and developing the quality of teaching.

Given the continued focus on school improvement, flexible resource management, and linking funding decisions to educational outcomes, DoE needs to provide principals with more structured training and skills to balance accountability with autonomy.

As part of our principal survey, we asked how equipped the principals felt to effectively perform their responsibilities with Investing for Success funds. Principals reported that they felt most confident about analysing student achievement data, identifying staff development needs, and consulting staff. These are skills they have developed as part of their school leadership and teaching experience.

All principal survey respondents identified areas where they would benefit from more structured, targeted, professional support. These areas reflect the changing role of school leaders, including the need for them to be more externally focused, and to set expectations to lift school performance. They included:

- program management, reporting, and evaluation. (Responses were broken down into setting targets, evaluating programs, and monitoring and reporting progress.)
- community consultation and stakeholder engagement.

New principals (less than five years) also said they would like more training and support in financial management.

The survey responses reflected those we received from new and acting principals at our school visits. They reported that they did not feel confident about implementing Investing for Success, including about how to best use and monitor the funding.

Interviews with principals and assistant regional directors demonstrated inconsistent:

- understanding of management and governance processes that support an effective system of internal controls
- procedures for reporting significant accountability risks
- availability of appropriate and sufficient training in their roles as financial delegates.

DoE's internal controls and broader governance over the way principals discharge their financial management responsibilities should act as an early warning in identifying potential risks to both financial and performance accountability in schools.

A targeted focus on strategic financial management training and a strengthened oversight role by assistant regional directors would improve schools' ability to meet their accountability requirements.

DoE have reported to us that they plan to use the information obtained in our survey about professional development needs for principals as part of the transition to the new school resourcing model, expected in 2018. Enhanced training will support principal capabilities needed within schools to reflect increased autonomy in managing school resources. Equivalent training for assistant regional directors is required to better support and guide principals in effectively meeting their responsibilities.

There are also opportunities for DoE to create more opportunities for informal training and support such as leveraging existing professional networks provided by peak principal representative bodies (for example, peer support/mentoring for new principals).

Monitoring school performance and expenditure

DoE has many school monitoring and review processes. It also put in place monitoring requirements specifically for Investing for Success.

Schools are required to report on targeted government funding (like Investing for Success) to assure the DoE Director-General that funds have been spent in accordance with prescribed guidelines and have delivered intended outcomes. However, unlike other targeted funding, the guidelines for Investing for Success did not prescribe specific requirements and the outcome set was broad—to improve student outcomes.

We found the monitoring and reporting processes did not provide DoE with sufficient visibility and assurance about how schools spend their Investing for Success funding, such as:

- compliance with internal controls and requirements
- efficient and effective delivery of school improvement objectives
- mitigation of errors, potential fraud risk, and other irregularities
- whether financial and performance management obligations are being met in a timely, reliable, and accurate way.

Despite DoE's internal audit branch conducting four-yearly audits and risk-based reviews of school accountability requirements, not all audited schools complied with:

- publishing approved Investing for Success agreements on their school websites
- communicating Investing for Success progress and results/outcomes to their school community each year
- incorporating Investing for Success strategies into the school plan, annual implementation plan, and relevant performance plans.

Schools conduct regular planning, reporting and improvement reviews, based on the *School Planning, Reviewing and Reporting Framework*. This includes developing a four-year school plan with annual reviews. In addition, the SIU, which was established in late 2014, administers cyclical school reviews to help drive improvement and accountability in Queensland state schools using the *Improving student outcomes through school reviews: A toolkit for principals*.

Many audit stakeholders, including principals, regions and DoE senior executives, expressed the view that there needs to be more accountability and scrutiny over how schools are spending Investing for Success funding. Figure 2D contains a list of the main monitoring mechanisms DoE has in place, how they relate to monitoring of Investing for Success, and where our audit identified gaps.

Figure 2D
Investing for Success—DoE monitoring mechanisms and current gaps

DoE frameworks/functions and current gaps in their application to Investing for Success
<p><i>School Performance Improvement and Accountability Framework</i></p> <p>This framework sets out how schools embed a culture of continuous improvement by linking strategic objectives, investment, and actions to agreed measures and targets. The principles of the framework include long-term benefits, key performance indicators (at system, regional, and school levels), and an overview of accountabilities for planning and reviewing performance. The framework also includes performance reviews of principals by assistant regional directors/DoE.</p> <p>Current gaps:</p> <ul style="list-style-type: none"> ▪ Schools are not adequately using performance data to inform planning. ▪ There is poor target setting and measuring of outcomes, and limited sharing of good practice (such as through the Evidence Hub). ▪ More training is needed for principals to effectively manage and evaluate programs, including measuring the impact of strategies and assessing cost-effectiveness. ▪ Schools and DoE have difficulty separating whole-of-school and system-wide school improvement outcomes from Investing for Success outcomes. ▪ DoE/regions have exercised limited oversight over school performance because of the community accountability model and confusion about the intended effect of school autonomy and independence. ▪ There is uncertainty of roles, responsibilities, and reporting relationships between assistant regional directors/DoE and principals in the context of a culture of independence and autonomy.
<p><i>School Planning, Reviewing and Reporting Framework</i></p> <p>This framework requires state schools to implement state and national reforms and meet the objective of the DoE State School Strategy to drive improved learning outcomes for all students. It includes a requirement to publish an annual plan every year.</p> <p>Current gaps:</p> <ul style="list-style-type: none"> ▪ DoE does not formally review Investing for Success progress. ▪ Schools may conduct self-reviews, but the assistant regional director/school council do not review them. ▪ DoE is unable to evaluate system-level outcomes of Investing for Success expenditure. ▪ Poor quality plans and targets limit measurement and evaluation of school-level outcomes.
<p>DoE Internal Audit branch</p> <p>The Internal Audit Branch conducts a risk-based four-yearly audit cycle of schools (approximately 300 per year). The audits assess school compliance with DoE requirements including financial management, human resource management, workplace health and safety, infrastructure and facility management, and student management and protection.</p>

DoE frameworks/functions and current gaps in their application to Investing for Success

Current gaps:

The internal audit scope only considers Investing for Success transactions every four years as part of DoE's broader review about whether schools have complied with financial management practices and internal controls. In the context of Investing for Success, the scope is limited to a compliance check about whether schools are:

- publishing approved Investing for Success agreements on their school websites
- communicating Investing for Success outcomes to the school community each year
- incorporating Investing for Success strategies into the school plan, annual implementation plan, and relevant performance plans.

Improving student outcomes through school reviews: A toolkit for principals (includes School Improvement Unit reviews)

The School Improvement Unit monitors, supports, and reviews the performance of state schools. The assessment includes:

- annual reviews of school performance indicators to determine the level of assessment and support required
- four-yearly reviews of schools using a national toolkit to identify performance gaps and opportunities and inform strategic planning
- 12-months of support for schools requiring greater assistance and assessment to address performance progress.

Current gaps:

The School Improvement Unit review process does not look at Investing for Success expenditure as part of a school's performance review related to a school's targeted use of school resources. It does not otherwise examine whether schools have:

- selected appropriate strategies that meet potential performance gaps and opportunities (such as those that schools may identify from their school data profile or headline indicators reports)
- fully expended Investing for Success funds
- demonstrated value for money on improvement strategies funded by Investing for Success
- communicated progress against outcome targets to their communities.

Investing for Success guidelines/instructions—as part of DoE's requirements for using targeted funding (refer Figure 3A Chapter 3 for more detail)

For targeted funding, DoE requires schools to assure the director-general that funds have been spent in accordance with prescribed guidelines (including Investing for Success instructions) and have delivered intended specific outcomes. Instructions to schools for Investing for Success included:

- reporting annually on results of Investing for Success funding decisions
- communicating progress throughout the year to their community.

Current gaps:

- There is no specific outcome tied to the funding—DoE has used a broad objective for schools to focus on school improvement.
- Monitoring and accountability has been delegated to a community representative body (school council or parents and citizens' association) that has no legal mandate over a school leaders' expenditure decisions.
- There is no formal structure or format to report progress and outcomes.
- There is limited financial expenditure oversight by DoE over how schools spend funds. The absence of clear guidelines about appropriate expenditure has resulted in some schools using Investing for Success to supplement other school budget pressures in core funding areas rather than focusing it on school improvement initiatives.

Source: Queensland Audit Office.

Improving monitoring and oversight

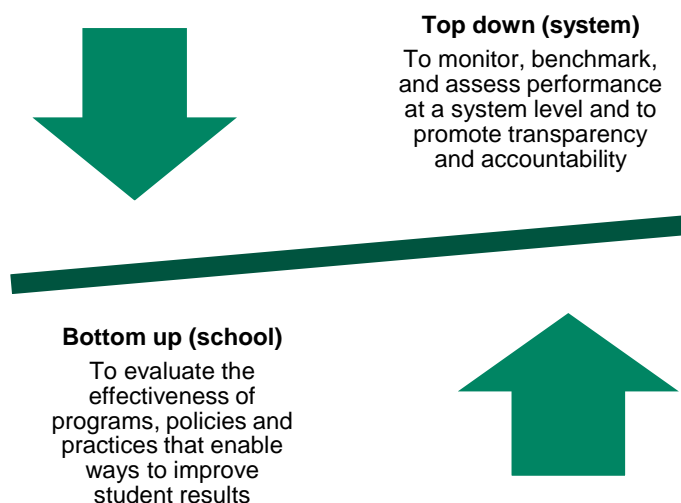
Strengthened monitoring and oversight by DoE is required, for example:

- expanding school reviews to include quality reviews of Investing for Success and school improvement plans for those schools identified as needing additional support (such as schools subject to a priority or emergent review by the SIU). This could include how they intend to measure progress and report on outcomes. Assessing the quality of school improvement plans would provide assurance to the director-general when endorsing (for Independent Public Schools) or approving (for non-Independent Public Schools) Investing for Success funding agreements. (These agreements set out how schools are spending the funds and addressing performance gaps.)
- formally reviewing compliance with financial and performance accountability requirements as part of the ongoing discussions between principals and assistant regional directors/DoE
- identifying during planning how progress monitoring and reporting will occur for each initiative (to inform future resourcing decisions and evaluations)
- creating a structured database capturing areas of focus, targets, initiatives implemented, specific actions, and associated costing
- setting an agreed list of school improvement objectives (for example, early years reading) that reflect DoE priorities set in its Service Delivery Statement and State School Strategy to further strengthen areas of focus and strategic alignment between school and state system-level performance targets
- providing electronic administration of Investing for Success planning and reporting, including online reviews and performance acquittals, to support future monitoring and evaluation (like the New South Wales online system)
- clarifying expenditure expectations and requirements for using Investing for Success funds for operational and school improvement investments
- revising existing guidance materials and templates to facilitate greater alignment between strategic and school-level priorities (for example, redesigning the annual implementation plan to incorporate a dedicated school improvement section that replaces the separate Investing for Success plan)
- using expertise within DoE's areas of review, program management, and evaluation to help schools improve the quality of their plans and student outcomes (for example, in setting appropriate targets, and measuring and reporting progress and outcomes).

Informing value for money and impact

Better oversight will also support future evaluations of the continued Investing for Success initiative by improving the quality of collecting and reporting evidence at both a system level and school level (see Figure 2E). DoE will also be better positioned to assess the future value for money and impact of Investing for Success beyond 2017.

Figure 2E
Types of education evidence needed to demonstrate value for money



Source: Queensland Audit Office, from Productivity Commission, *National Education Evidence Base report*, no. 80 2016.

Evaluating Students First funding outcomes

The Australian National Audit Office's recent audit, *Monitoring the Impact of Australian Government School Funding* (Report 18: 2017–18), reinforces that evaluation is essential for both accountability and improvement. It also refers to the 2011 Gonski Review that emphasised the importance of measuring the impact of school funding to support the accountability of public funds and to ensure that funding is directed where it is needed most.

While DoE did not establish the Great Results Guarantee/Investing for Success funding in 2014, 2015, and 2016 as a formal program, it chose to perform evaluations to demonstrate their effectiveness.

It began planning its first evaluation, covering 2014, in December 2014 and completed it in June 2015. The second evaluation, covering 2015, was planned in April 2016 and completed in February 2017.

DoE began another evaluation in 2017, building on the earlier two and covering all four years of the initiative. The purpose was to better understand how schools designed and implemented improvement strategies funded through both Great Results Guarantee and Investing for Success across 2014 to 2017, and to measure the impact of these strategies. The evaluation is in progress and is expected to be finalised in June 2018.

Great Results Guarantee

DoE originally introduced Great Results Guarantee with a strategic targeted objective that schools meet national minimum standards in literacy and numeracy (NAPLAN) in all year levels or have individual learning plans in place for students performing below the national minimum standards. Schools were asked to invest in initiatives that met the overall objective of improving literacy, but they still had the ability to choose the most appropriate activity or program relevant to their students and communities.

The evaluation process focused on the effectiveness of implementation, the nature of the strategies being implemented by schools, the evidence base cited by schools, and perceptions of early indications of success/impact in relation to improving student outcomes.

The findings from our school visits align with DoE's evaluations of Great Results Guarantee:

- Schools confidently expanded their existing improvement agendas to allocate funding to both long-term plans and short-term targets.
- Principals valued the autonomy in school decision-making and being able to target their funds to their school's specific needs.
- The majority of funding was spent on building staff capacity, capability and human resources, although there were challenges in finding suitably qualified and skilled teachers.
- Schools were maturing in their approach to collecting and measuring improvement data, and how to align resource decisions with objectives and measures.
- Funding was targeted to professional development, mentoring and coaching, targeted intervention, explicit instruction, data-driven decision-making, feedback, and parent engagement.
- Relationships between additional funding amounts and performance on NAPLAN data could not be assessed due to insufficient time to see demonstrated impact.

As two years is not sufficient to see discernible changes in school level performance indicators, such as NAPLAN results, DoE could not evaluate the effectiveness or efficiency of the first two years of the funding initiative (2014 and 2015). It was also difficult to assess impact because schools implemented various strategies and did not collect consistent data. A summary of the limitations is set out in Figure 2F, along with whether these limitations were addressed in the redesign of the funding initiative in 2016.

Investing for Success

When DoE revised the funding initiative in 2016 as Investing for Success, it removed the requirement for schools to meet minimum literacy and numeracy standards. This was in response to stakeholder feedback that it was difficult to measure effectiveness of individual learning plans consistently and that schools could not guarantee NAPLAN results.

Instead, schools were asked to implement any school improvement strategies they considered appropriate for their students, without guaranteeing specific performance targets set by DoE. DoE provided examples of possible strategies and targets but gave schools the discretion to decide what strategies to implement.

Current 2017 evaluation strategy

DoE's current evaluation strategy for 2017 intends to assess:

- the extent to which Great Results Guarantee/Investing for Success has influenced schools' planning, decision-making, and allocation of resources
- how schools have used funding to achieve improved outcomes for students. This will provide in-depth insights into the longer-term impact of Great Results Guarantee/Investing for Success
- any observable links between the funding and school achievement in NAPLAN, student attendance rates, and selected school-based assessments.

DoE's 2017 evaluation strategy for Investing for Success acknowledges that the two key design features of Investing for Success (autonomy and diversity of strategies used by schools to improve student outcomes) have resulted in challenges for it in evaluating the initiative:

- There is no consistent set of strategies across all state schools, which makes it difficult for DoE to aggregate any views of the outcomes achieved state-wide.
- DoE has no ability to identify the effectiveness and/or cost-effectiveness of individual strategies being implemented by schools.

Additionally, the indicators that are intended to inform DoE's evaluation on effectiveness (such as NAPLAN results) were not communicated to schools at the beginning of the Investing for Success funding initiative, so schools have not necessarily set these indicators as part of their improvement priorities or targets.

Despite revisions in 2016, the previous evaluation limitations will not be completely addressed in DoE's 2017 evaluation (see Figure 2F).

Figure 2F
Limitations of the Great Results Guarantee evaluations and application to evaluations of Investing for Success

Limitations of Great Results Guarantee evaluations	Application to Investing for Success evaluations
Identifying the effectiveness and efficiency of individual strategies was not possible as there was no consistent set of strategies prescribed across all state schools.	This limitation has remained, with schools not being restricted in their choice of actions/strategies. This creates difficulties in performing a top-down evaluation of the effectiveness of the most common strategies.
DoE only used a desktop analysis on the most common words seen in agreements and a small number of evidence studies (from less than one per cent of all state schools).	At the time of the audit, DoE was working with 14 schools to help align evidence of impacts with relevant activities and inputs. This will enable DoE to measure the effectiveness and cost-effectiveness of the different strategies implemented by these schools. While this is a small sample, not intended for extrapolation to all state schools, the change in methodology is likely to improve bottom-up evaluation and help DoE identify high impact, sustainable strategies.
As Great Results Guarantee is only one of many and varied student improvement initiatives that are being implemented by schools across Queensland, it is difficult to attribute performance changes to any individual initiative.	This limitation is acknowledged in DoE's 2017 evaluation strategy for Investing for Success.
Some impacts, for example collaborative curriculum planning that build teacher capability, could not be measured within just one year.	In the absence of control groups and in consideration of numerous other school improvement initiatives, it will be difficult to attribute any change in performance results to two years of funding under Investing for Success.
Limited funding was available for the planned evaluation as DoE committed to distributing the federal funds directly to schools.	DoE drafted its plan for the evaluation of the Investing for Success initiative in June 2017 (noting Investing for Success commenced 18 months earlier in January 2016). As with Great Results Guarantee, DoE did not plan the evaluation before rolling out the Investing for Success funding to schools, even though it intended to continue the initiative for another two years.

Source: DoE and Queensland Audit Office.

There are opportunities for DoE to improve its future evaluation of Investing for Success outcomes, either as a stand-alone initiative or as part of an integrated school improvement outcomes assessment, such as:

- building a clear evaluation plan into the design of key school improvement initiatives
- timing the evaluations to inform future revisions to the funding to support schools' continuous improvement
- improving performance improvement and accountability through overseeing and evaluating the efficiency, effectiveness, and value for money of investment decisions
- improving school-level decisions about what school improvement actions to take, by strengthening performance through regular feedback, analysing performance data, encouraging schools to learn from others, and sharing good practice
- improving the quality and timeliness of reporting on progress towards outcomes to continue to drive student and school improvement.

Preliminary evaluation outcomes reported

Upon completion of the two evaluations in 2015 and 2016, DoE used the evaluation results to brief the minister in May 2017 about preliminary outcomes and to seek approval to continue the initiative in 2018 and 2019. DoE reported that Queensland state schools have successfully used the allocated funding to improve priority areas and student performance suited to their local context. It also advised that Investing for Success has given schools increased opportunities to take control of their resources and focus on how these can be best used to deliver outcomes for their students.

DoE has been unable to provide clear advice about the outcomes of the federal funding due to the ongoing limitations of the design and timing of evaluations, largely due to the design of the initiative, including:

- limited evidence to measure the success of the initiatives
- no ability to assess the effectiveness or cost-effectiveness of Investing for Success
- limitations with NAPLAN scores
 - results are influenced by many different student and school factors
 - NAPLAN withdrawal rates affect trend comparisons in performance. For example, Queensland schools had the highest rate of students withdraw from NAPLAN testing in 2017. Small differences in participation may affect literacy and numeracy achievement because the ability of students who do not participate is likely to differ from students who do. The withdrawal of lower achieving students will artificially increase the average result
- inability to attribute school improvement outcomes to Investing for Success without addressing the potential impact of DoE's other school improvement reforms.

Queensland's comparative results

In 1999, Australian education ministers signed the *Adelaide Declaration on National Goals for Schooling in the 21st Century*. The declaration supported using key national performance measures to monitor progress towards achieving national education goals. In 2008, Australian education ministers signed the *Melbourne Declaration on Educational Goals for Young Australians*, supporting, amongst other things, the need for strengthening accountability and transparency by providing access to reliable and comparable information on student, school and system performance. In the same year, the National Assessment Program Literacy and Numeracy (NAPLAN) was created to annually assess all Australian students in years 3, 5, 7, and 9.

NAPLAN assesses reading, writing, spelling, grammar/punctuation and numeracy against standardised measures such as national minimum standards and 'bands' of performance. Two key measures for NAPLAN results are:

- National minimum standards (NMS) that describe some of the skills and understandings students can generally demonstrate at their particular year of schooling, in a specific subject area or domain. Students who do not achieve the national minimum standard at any year level may need intervention and support to help them achieve the literacy and numeracy skills they require to progress satisfactorily through their schooling.
- Mean scale score (MSS), which is the average score of a particular year in a particular domain (test area) such as reading or numeracy.

Queensland's achievement of national minimum standards since 2011 has improved, and in some test areas the state is also reducing historical gaps to national mean scale scores that have existed in all NAPLAN areas since its inception in 2008 (see Appendix F and Figure 2G).

While Queensland has not yet exceeded the national average in minimum standards or mean scale scores (within statistically significant limits) for any test areas, it has improved in the areas of reading (years 3, 5, and 7) and numeracy (years 3 and 5).

The gap in writing remains and has been widening for years 7 and 9 both in terms of mean scale score and national minimum standard. This is largely consistent with other states and territories. However, Queensland has been showing a steeper decline in year 7 and 9 writing proficiency than the national averages.

It is not appropriate nor possible to attribute the change in performance, including the improvement observed in early year levels, solely to Investing for Success. Investing for Success is one of many initiatives directed at the improvement of Queensland education outcomes and its impact can only be assessed in conjunction with all the other improvement measures that have been implemented over the last five years.

Figure 2G
Summary of Queensland results in key areas of NAPLAN 2011 and 2017

NAPLAN category		Mean Scale Score (MSS)		% at or above National Minimum Standard (NMS)	
		2011	2017	2011	2017
Year 3	Reading	▼	▬	▼	▬
	Writing	▼	▬	▼	▬
	Numeracy	▼	▬	▼	▬
Year 5	Reading	▼	▬	▼	▬
	Writing	▼	▬	▼	▬
	Numeracy	▼	▬	▼	▬
Year 7	Reading	▼	▬	▬	▬
	Writing	▲	▬	▬	▬
	Numeracy	▼	▬	▬	▬
Year 9	Reading	▼	▬	▬	▬
	Writing	▬	▬	▬	▬
	Numeracy	▼	▬	▬	▬

▲ Significantly higher, statistically, than the national average

▬ No significant difference, statistically, from the national average

▼ Significantly lower, statistically, than the national average

Source: Australian Curriculum Assessment and Reporting Authority (ACARA) www.acara.edu.au.

3. School implementation

This chapter evaluates whether schools use Investing for Success funding to effectively improve students' outcomes in an economical manner.

It assesses how well schools plan their Investing for Success strategies—including data analysis, prioritisation, and strategy selection—as well as whether they implement them in a cost-effective way. It also assesses whether schools have monitored and reported on the outcomes achieved, in accordance with Department of Education (DoE) requirements.

Introduction

There are many ways to improve school and student performance. The challenge for principals is to decide the best way for their schools. This may be very different from another school's approach, depending on that school's characteristics, such as location, mix of students, and so on.

In this chapter we assess how the Investing for Success funding has been used to improve student outcomes.

We expected schools to demonstrate compliance with DoE's Investing for Success requirements by having:

- effective processes to identify, prioritise, and plan how Investing for Success funding would support school improvement initiatives
- strategic procurement practices and the ability to deliver value-for-money outcomes
- effective monitoring and reporting of progress and outcomes of school improvement investment decisions, and compliance with accountability requirements.

The chapter analyses:

- whether schools we audited could demonstrate compliance with DoE's Investing for Success funding instructions
- how schools identify and plan their Investing for Success investments
- how schools use their Investing for Success funding in practice and how they report on investment decisions and outcomes achieved
- how planning and reporting are linked.

We refer to the results of 49 respondents to a principal survey as well as documents and interviews from 17 schools we audited and their assistant regional directors across four regions. Appendix G sets out three case studies from the audited schools, Appendix H is a summary of the survey methodology and responses, and Appendix I provides a summary of the audited schools.

Complying with DoE's funding instructions

DoE provided schools with instructions when they allocated the Investing for Success funds to them. We assessed 17 schools' compliance with these instructions.

It was encouraging to see that most schools we audited aligned what they planned to spend their funds on with the broader strategic priorities in DoE's service delivery statement (for example, improving NAPLAN results). However, not all schools consistently support their improvement initiative decisions with evidence or establish appropriate measures to demonstrate the outcomes they have achieved with the funding.

Figure 3A summarises how consistently schools met DoE's instructions in 2017.

Figure 3A
Summary of compliance with DoE's Investing for Success instructions in 2017 at schools we audited

Requirement	Consistency of practice in schools we audited
Step 1: Review and consult to develop Investing for Success plan.	
Review strategic planning documents such as strategic plan and annual implementation plan.	Consistent—there was broad alignment between Investing for Success plans and other school strategic planning documents, but Investing for Success plans were not necessarily aligned to state or regional level strategic priorities and targets.
Select evidence-based research initiatives.	Inconsistent—12 out of 17 schools did not cite research to support selected Investing for Success initiatives.
Set targets.	Partially consistent—All 17 schools included targets in their Investing for Success agreements, but four out of the 16 schools did not include targets that are specific, measurable, achievable, realistic and time-related (SMART).
Consult with school community, teachers, and assistant regional director or equivalent.	Partially consistent—only eight out of 17 schools could demonstrate engagement with their community in the development of the plan.
Step 2: Complete the Investing for Success plan template.	
Consistent—all schools had completed the Investing for Success plan template.	
Step 3: Submit plan for approval.	
Consistent—all schools had approved plans in place.	
Step 4: Align Investing for Success plans with other school planning documents (e.g. the school plan, annual implementation plan and performance plans).	
Consistent—although not always obvious, there was broad alignment between Investing for Success plans and other key strategic planning documents.	
Step 5: Publish Investing for Success plan on website	
Partially consistent—eight out of 17 schools did not have their current Investing for Success plan on their website.	
Step 6: Monitor progress of outcomes	
Communicate updates on progress throughout the year to the school community.	Inconsistent—none of the schools visited could provide evidence that they communicated updates or progress throughout the year to the school community. Eight of the 12 assistant regional directors interviewed required regular updates from the principals throughout the year.
Step 7: Report outcomes to the community	
Prepare and communicate a final report for the year to show the progress the school has made on each initiative towards the targeted outcome.	Inconsistent—while there was reporting of school-wide data, it was not specific to Investing for Success initiatives and targets. Only two out of the nine schools that used DoE's optional snapshot template reported progress against all targets.

Source: Queensland Audit Office.

Identifying school improvement opportunities

DoE's school improvement model has introduced tools and resources for schools to use to drive school improvement and accountability (see Appendix E). Schools are expected and encouraged to apply these tools to identify, plan, and then monitor improvement initiatives. Examples of the resources include:

- school and student data to give schools historical and trend information about their performance (for example, school data profile reports and headline indicator reports)
- a school improvement planning process called the 'Inquiry Cycle' to help schools identify what resources they need to implement school improvement priorities
- online research resources and shared school improvement case studies (for example, the Evidence Hub) and tools to assess whether school improvement outcomes can be extended (for example, by using DoE's Standards of Evidence).

Collecting and using data

DoE's instructions to schools about how to spend Investing for Success money require them to use evidence and research to decide what initiatives and actions to implement. DoE also reminds schools in their Investing for Success instructions that they are responsible for using the funds appropriately to improve students' outcomes in their local context.

A large quantity and variety of student data underpins schools' and DoE's evidence-based approach to school improvement. Data literacy of school staff was an area of strategic importance for many of the schools we visited.

Analysing data to identify improvement areas

Schools use a range of data to assess academic performance and other aspects of students' school experience to inform decisions—including decisions about Investing for Success funding. The principal survey respondents reported that data analysis is one of the most important factors informing their Investing for Success planning. All 17 schools we audited used data to identify ways to improve student and school performance.

However, the audited schools used multiple data collection tools to collect the same or similar information. There was a lack of consistent data collection practices across the 17 schools and four regions. Previous DoE School Improvement Unit (SIU) reviews have recommended that schools improve their data collection and analysis practices. If they did this, it would assist them in collecting more information to make more robust decisions about where to invest discretionary funds like Investing for Success.

Data for students with a disability

We also heard from stakeholders, such as the Queensland Association of Special Education Leaders Inc., that, given the complex and unique nature of each special school, with each providing highly specialised and individualised programs, it is difficult to consistently measure outcomes for students with a disability. While special schools would benefit from access to summarised data that compares student achievement and school performance with other special schools, current progress reporting is more appropriately targeted to individual student learning needs rather than school level performance.

Despite these challenges, the special school we visited had developed comprehensive and diverse data collection and analysis practices. DoE's adaptive headline indicators report (which includes a specific set of performance indicators for special schools) is also helping to lift the quality of information.

We note that all Queensland schools participate in a separate annual national data collection about students who require adjustments to assist their learning needs, including students with a disability. The Australian Government introduced the collection process in 2015 based on teachers' professional judgment and practices. It was designed to help teachers and schools build an evidence base about how to better understand the needs of students with disability and how they can be best supported at school.

Making decisions based on evidence

Research and evidence

DoE's Investing for Success agreement template sets out a clear expectation that underlying research be cited for each proposed action or initiative. To support schools' funding decisions, DoE provides them with a list of evidence-based improvement examples in the Evidence Hub intranet site. The objective of the Evidence Hub is to invite schools to share evidence-based practice and innovation through school improvement evidence studies.

DoE encourages schools to use these case studies to learn from the success stories of schools with similar issues and objectives. Schools share how they planned and implemented initiatives and how they measured the outcomes they achieved. DoE notes that the content of the Evidence Hub is not intended to be exhaustive or prescriptive but is there to help improve decision-making.

As shown previously in Figure 3A, our review of Investing for Success agreements from 2016 and 2017 at schools we audited indicates that schools are not complying with the requirement to use evidence or research to inform investment decisions. Figure 3B shows that only five out of 17 schools demonstrated research publications were used to support evidence-based decisions in their 2017 Investing for Success plans, and only four in the 2016 Investing for Success plans.

Figure 3B
Research publications cited in Investing for Success agreements at schools we audited—2016 and 2017

	2017	2016
Number of schools that cited research publications in support of their strategies	5	4
Number of schools that did not cite research publications in support of their strategies	12	13
Total number of schools audited	17	17

Source: Queensland Audit Office.

DoE introduced the Evidence Hub in late 2016. It was not available to help guide principals' Investing for Success investment decisions for the first three years of the four-year Students First federal funding initiative.

Sampled schools reported a high degree of awareness of the Evidence Hub and available tools, but limited ability to use them. None of the 17 schools visited had prepared case studies for publication on the Evidence Hub.

Principal survey respondents did not attribute high value to using the Evidence Hub to inform decisions about spending Investing for Success funds or identifying school improvement opportunities. For example:

- 21 per cent of respondents rated the Evidence Hub as either not important or not applicable
- eight per cent of respondents rated using 'research' as not important or not applicable.

Performance reports and resources

A valuable source of evidence that informs school investment decisions is the School Improvement Unit (SIU)'s performance reports and resources. Principal survey respondents reported the following as important and very important when selecting Investing for Success strategies:

- SIU review report (88 per cent)
- National School Improvement Toolkit (guides school self-assessments) (88 per cent)
- school data profile reports (94 per cent).

The Evidence Hub and SIU reports have the potential to drive a greater level of evidence-based school improvement outcomes. DoE's continued refinement and promotion of the tools and resources will further improve principals' investment decision-making.

Planning school and student improvement initiatives

DoE's *School Planning, Review and Reporting Framework* sets out the two key documents schools must use to plan for improvement:

- The school plan, which has a four-year outlook and drives the strategic direction of the school. It identifies improvement priorities, strategies or goals, and performance measures and targets.
- The annual implementation plan, which sets out how schools will action their school plan each year.

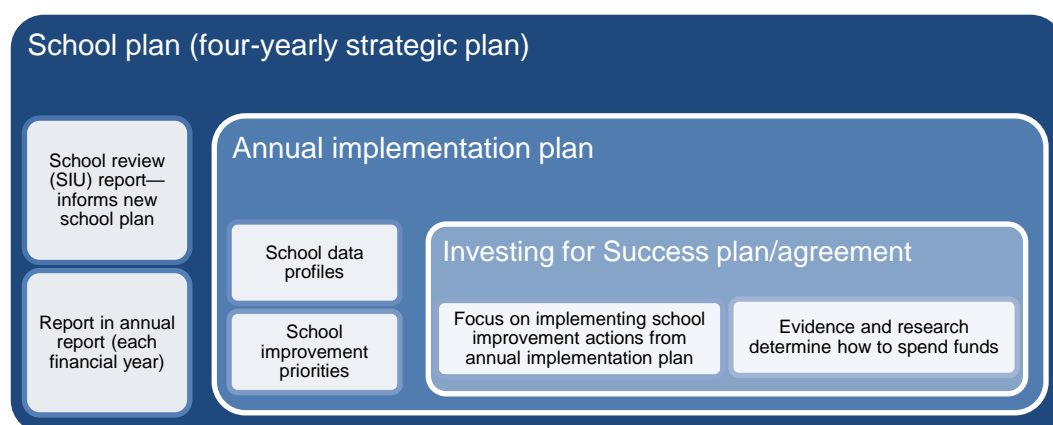
Schools feed their improvement priorities identified through previous reviews and data analysis into these two plans. The principal survey respondents reported that these plans are also used to determine how they will use the Investing for Success funding—but the Investing for Success plan is a separate document.

Investing for Success planning processes

DoE's instructions to schools require them to plan Investing for Success funding use as part of their whole-of-school planning process. They also expect them to align school improvement actions with agreed priorities in the annual implementation plan and school plan. Most principal survey respondents (78 per cent) reported that they viewed their Investing for Success funding as part of their whole-of-school budget.

However, the Investing for Success plan/agreement is separate from the annual implementation plan and school plan (refer Figure 3C). It contains a separate set of targets and resources intended to meet school improvement priorities. Budgets for each activity must be costed separately and reflected in the Investing for Success plan.

Figure 3C
How Investing for Success plans fit within other school planning processes



Note: SIU—School Improvement Unit.

Source: Queensland Audit Office.

Preparing Investing for Success plans

To complete the separate Investing for Success planning template, schools are required to separate out the activities that will be funded by the initiative from their whole-of-school improvement plans. Some schools reported difficulties in doing this and felt it was inconsistent with a whole-of-school integrated approach to improvement.

Figure 3D shows the planning requirements schools must meet for each of the main planning processes. Depending on how schools undertake this process, it could result in duplication of effort.

Figure 3D
Summary of requirements across the key school planning processes

DoE's school planning, review and reporting framework requirements	School plan (four-year strategy)	Annual implementation plan	Investing for Success plan
School improvement focus	✓	✓	✓
Alignment to DoE's State School Strategy (setting out DoE's strategic focus areas)	✓	✓	✓
Staff consultation	✓	✓	✓
Community consultation/endorsement	✓	✓	✓
Outcomes of school review	✓	✓	✓
Risks	✓	✗	✗
Regional consultation/endorsement	✓	✓	✓
Departmental endorsement	✓	✓	✓
Budget and resources	✓	✓	✓
Intended outcomes	✓	✓	✓

Source: Queensland Audit Office from DoE School Planning, Review and Reporting Framework and Investing for Success website.

Even though having a separate process creates more work, some principals saw value in it. They appreciated the separate conversations with their school communities and regions about ways of targeting school improvement that were not dependent on 'business as usual' school operation resources.

Timelines for completing Investing for Success plans are not aligned to when schools need to make decisions about resources. For example, decisions about staff appointments are being made at least two months prior to Investing for Success plans being submitted for approval by the region and DoE Director-General/school council (for Independent Public Schools).

Aligning to school and system priorities and targets

As mentioned earlier, DoE expects schools to align Investing for Success initiatives and targets to other strategic planning documents. However, the current template issued by DoE does not require schools to demonstrate this alignment.

Therefore, the schools we audited were unable to clearly demonstrate how their Investing for Success initiatives aligned to their broader school improvement plans. None of the schools we audited had major inconsistencies with their higher level strategic planning documents (such as the school plan or annual implementation plan), but some schools we audited reported conflicts/misalignment between their preferred school improvement objectives and those of central and regional DoE offices. For example, a high performing school might choose to focus on mathematics or writing, even though the regional priority is to focus on reading. Where schools reported these conflicts, they were often supported by the region where they could demonstrate appropriate data/evidence. There was also no clear requirement or demonstration of how Investing for Success strategies supported state-level priorities set out the State School Strategy or service delivery statements.

Defining performance targets

DoE's Investing for Success instructions to schools require principals to set targets that are specific, measurable, achievable, realistic and time-related (SMART). Guidance and examples have been made available to schools on DoE's intranet.

Investing for Success plans at schools we audited varied significantly in quality. In some cases, schools did not refer to targets and instead expressed general statements, such as 'ensuring that explicit instruction is fully embedded'.

Figure 3E gives some examples of outputs, measures and targets in the audited schools, as well as examples of alternative SMART targets.

Figure 3E
A sample of audited school targets compared to SMART targets

Improvement focus	Outputs	Measures	Example of a SMART target	Audited school target
Literacy	Literacy intervention program	NAPLAN National minimal standard (NMS) percentage	Increase the percentage of students achieving the NMS in reading from 90% to 95% by December 2017	Increase the percentage of students achieving the NMS in reading, writing and numeracy
Student wellbeing	Breakfast programs School transport	Retention rates Year 12 Attendance	Increase attendance from 88% to 90% across all year levels	Focusing on 'Every day counts' with students in attendance, alert, equipped and ready to learn.
Teaching practice	Coaches and mentors Master teachers	Staff retention Student engagement surveys	Level of student satisfaction above 96%	Developing and maintaining a highly skilled and capable workforce.

Source: Queensland Audit Office, from analysis of documentation from audited schools.

The assistant regional directors reported that they had a role to play in reviewing plans but not amending them. Therefore, they did not identify the absence of SMART targets during their review prior to approval by the director-general.

Only half of principal survey respondents reported that they were confident in setting targets. This was consistent across principals with less than five years' experience and with over ten years' experience. Principals reported that they would like to have greater support in setting targets.

DoE is aware that some schools require further training and development in establishing good performance measures. As noted in Chapter 2, DoE is addressing this need by trialling a more supported guidance approach for schools with amended Investing for Success templates.

Consultation

DoE requires schools to consult on Investing for Success school improvement decisions. This is to encourage schools to identify focus areas that reflect their local school context. Consultation includes school staff, regional offices, and school communities.

An important feature of Investing for Success is the formal role of parent/community representative bodies. For Independent Public Schools (IPS), these are school councils responsible for independently overseeing the governance of the school. Non-IPS schools may also have school councils, however the bodies representing their communities are generally voluntary parents and citizens' associations (P&Cs), established to assist school fundraising and community activities. Independent Public Schools generally have both a school council and a P&C.

Obtaining community input about Investing for Success

The schools we audited did not effectively obtain community input to their Investing for Success plans prior to having them approved. Some did not have community forums to consult with and others did not consider it a highly valuable step.

Three of the 13 non-IPS state schools did not have a P&C in place. All three were in low socio-economic communities where schools reported difficulties with parental engagement across many areas. The principals of these three schools use other forums to maintain community engagement and celebrate school successes (for example, parent–teacher nights or sporting events). There was, however, no clear evidence of community consultation about Investing for Success funding decisions.

Community consultation is sometimes viewed as a symbolic process rather than something that influences the selection of Investing for Success funding decisions. Principals also questioned the P&C's ability to have meaningful input into the prioritisation process and noted a lack of interest or capacity to comment on teaching and learning matters. This highlights a limitation of the current community accountability model, discussed in Chapter 2.

In addition to community consultation, DoE expects non-IPS schools to consult with their assistant regional directors about Investing for Success. In the survey, principals reported:

- They had consulted widely with internal stakeholders to gain input into preparing their Investing for Success plans. They reported increasing their level of consultation from 2016 to 2017. Internal consultation within the school (with staff) was reported as most important in selecting Investing for Success strategies. By contrast, principals reported external consultation (listed as P&C/school council and assistant regional director) as less important.
- Some principals reported they did not seek input or confirm endorsement by their P&C or school council prior to submitting their plan/agreement to DoE or publishing it on their website. These responses were from both Independent Public Schools (IPS) and non-IPS schools.

Some assistant regional directors reported that the culture of school independence and autonomy had resulted in them taking a hands-off approach to their review of schools' Investing for Success initiatives. They do not see their role as challenging principals' school improvement decisions.

The current lack of robust consultation prevents schools from realising the benefits of:

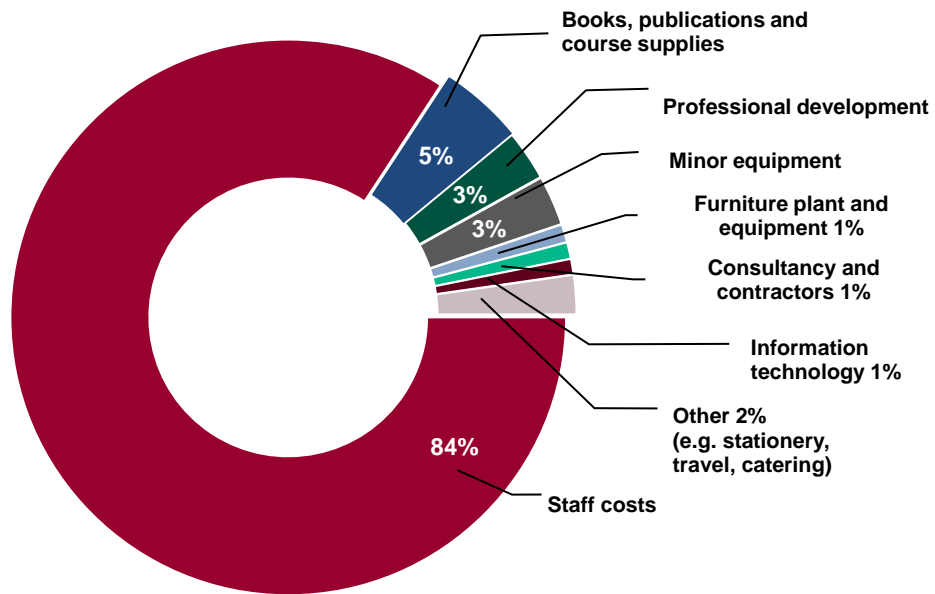
- identifying areas of focus
- selecting evidence-based strategies
- setting targets
- setting up valuable continuous feedback mechanisms to help monitor and improve a school's performance.

How schools use Investing for Success funds

What funds are spent on

In 2016, most Investing for Success funds (\$300 million allocated; \$288 million spent) across all state schools were invested in staff (84 per cent: \$242 million). Figure 3F shows the allocation of Investing for Success funds across all state schools against key expenditure categories.

Figure 3F
2016 Investing for Success expenditure—all state schools

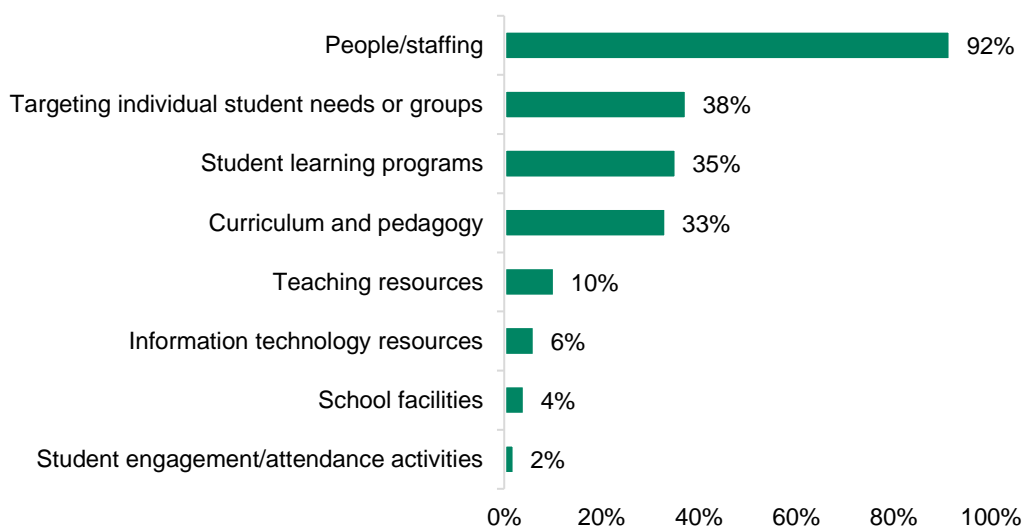


Source: Queensland Audit Office.

From our review of the 17 schools we audited, the choice of improvement strategies varies significantly and reflects the different funding amounts (based on the school's size, location and needs of the student population). Strategies ranged from paying for additional teaching staff and professional development through to air-conditioning classrooms and upgrading library facilities to improve student engagement.

Our survey of principals reflected the significant investment schools made in staffing with 92 per cent reporting it is their most common expenditure to implement Investing for Success strategies (Figure 3G). Examples of staffing-related expenditure included professional learning for teachers, teacher aides and specialist staff, encouraging coaching and mentoring, creating opportunities for collaborative planning and networked learning relationships with other schools, and using professional teams and committees to support improvement priorities.

Figure 3G
2016 Investing for Success most common funding—principal survey



Source: Queensland Audit Office as reported through a survey of state school principals.

Investing in teachers to help students

Education experts report that the greatest lever for system improvement is developing the capabilities of teachers, and that this is where resources should be focused. DoE is implementing reforms to build teaching quality. This includes introducing a new performance review process and supporting high performing teachers.

DoE is also currently considering recommendations from the Queensland Audit Office's recent *Managing performance of teachers in Queensland state schools* (Report 15: 2016–17), tabled in April 2017, that found DoE could do more to help teachers objectively review the impact of their teaching practices, including assisting them to set meaningful and measurable development goals.

The majority of principal survey respondents reported teacher aides as the most common people/staffing expenditure followed by staff to back fill teachers' class time. This enables teachers to participate in professional development to improve teaching practices. For example, a free-text quote from one of the principal survey respondents noted that:

‘The access to these funds allow us to focus in upon up skilling our staff with Professional Development that is directly related to the needs of the students at the school as well as providing us with the opportunities to purchase valuable resources and teacher aide time to support the implemented programs’.

While not all education experts agree on redirecting available funds from teaching staff to teacher aides, we observed some examples of highly effective use of additional teacher aide support in schools we audited. This was particularly in the administration of targeted learning intervention programs.

Managing financial and industrial relations risks

Investing for Success, like its predecessor Great Results Guarantee, was framed as a non-recurrent funding initiative. Principals and assistant regional directors reported a high degree of reliance on the continuity of this funding to sustain some of the initiatives in the future, particularly staffing investments.

A significant number of temporary staff (teachers and teacher aides) contracts that have been extended using Investing for Success funding could now be eligible for permanency under existing certified agreements. In certain conditions, these agreements require DoE to convert temporary teachers to permanent roles after three years, and teacher aides after two years. DoE acknowledges the budgetary and industrial implications of these school-level decisions and that it is at risk of having to continue to meet additional staffing expenses in the absence of continued federal funding.

There are opportunities for DoE to enhance its monitoring and oversight of temporary school staffing investment decisions to monitor potential industrial and financial implications. This will help to ensure teaching resources are effectively allocated as part of a school's broader teaching budget and provide greater staff confidence about their employment status.

Procuring staff resources

During our audit we found little evidence of DoE applying a strategic approach to procuring human resources in the context of Investing for Success. Such opportunities could be supported through an integrated planning and resourcing approach for schools, including a review of how Investing for Success expenditure intersects with a school's general staffing budget (core funding).

How funding supports improved performance

Principal survey respondents commented on the importance of Investing for Success funding on their school's improvement:

- 'The power and influence on state schooling due to this initiative cannot be underestimated. It has allowed schools with limited budgets to approach school identified areas for improvement with confidence'.
- 'I4S [Investing for Success] funding has enabled our school to invest in initiatives that would not have been possible without these funds and this has given us amazing results that would not have been achievable without this large investment of money. For schools to have the ability to make decisions at a local level is pivotal to the success of this initiative'.

Schools have used the funding in a variety of different ways aimed at improving student outcomes within a broader framework of improving school performance.

Over 90 per cent of the principal survey respondents have used Investing for Success funding on activities/projects with the objective of improving English results in their schools.

To further understand how schools used their Investing for Success funds to implement school improvement strategies, we examined documentation from the 17 schools we audited. We identified 105 separate school improvement initiatives. Although most schools had multiple areas of focus in their Investing for Success plans, they focused mainly on improving literacy/numeracy, student engagement and wellbeing, and teaching practices.

Figure 3H lists some of the common initiatives observed at schools we audited within these three areas, as well as less common/creative strategies. The least common areas of focus were helping students transition out of school (usually into the workforce, vocational studies, or secondary schooling) and physical resources (usually information technology).

Appendix I summarises schools' initiatives/actions, targets and outcomes outlined in the planning and reporting documents of all schools we audited.

Figure 3H
Investing for Success common and creative initiatives from schools we audited

Improvement focus	Common initiatives	Less common/creative initiatives
Literacy/ numeracy	Employing additional teacher aide staff to administer intensive learning programs Employing literacy and numeracy coaches to provide specialist guidance for teaching staff	Performing hearing screening Providing professional development for teaching staff on dyslexia to assist them identify students with learning difficulties
Student engagement and wellbeing	Employing a community liaison officer to monitor and foster student and community engagement and implement attendance strategies Employing an industry liaison officer	Upgrading library facilities to encourage students to meet in collaborative learning areas Acquiring a dedicated bus to transport students to and from home and school
Teaching practice	Coordinating professional learning teams and networks Acquiring additional teacher aides to fund release time for teaching staff to engage in professional learning	Conducting student surveys to measure improved engagement in learning outcomes pre-and post-classroom lessons

Source: Queensland Audit Office.

Overseeing expenditure

Under Queensland's Education (General Provisions) Regulation 2006, the principal of a state school is responsible for managing the school in a way that ensures effective, efficient, and appropriate management of public resources. This applies equally to Independent Public Schools and non-IPS schools. All state schools are also required to follow DoE's expenditure policies such as the *Purchasing and Procurement Instructions*.

Schools must set out the cost of each planned school improvement initiative funded from Investing for Success in their agreement. They must monitor the expenditure using a separate cost centre (introduced in 2015) to track how the federal funding is being used.

DoE oversees all state school expenditure of Investing for Success funding. It has locally-based finance officers within regional offices to monitor school transactions. Principals employ business services managers to oversee school budget and reporting processes.

Since schools began recording these costs separately, 1 261 Queensland state schools have spent \$389 million across 2015 and 2016. A further \$238 million was allocated to state schools in 2017.

During each of our site visits, we performed testing of a sample of transactions coded to the Investing for Success cost centre to assess how schools monitor their expenditure and link it to planned student outcomes. The purpose of the testing was to assess whether schools:

- are achieving value for money with their Investing for Success funding
- are complying with DoE's and broader financial policies and procedures
- have appropriate internal controls for Investing for Success transactions.

Achieving value for money

Principals from the schools we audited were generally conscious of value for money and return on investment considerations. We noted examples of creativity and effort to maximise value for money at schools we audited including:

- creating a multi-functional role (a Community Liaison Officer), whose duties range from student attendance and wellbeing to marketing, communication, and events management
- obtaining multiple quotes for information technology equipment despite the existence of a DoE standing offer arrangement
- employing a volunteer coordinator tasked to recruit, train, and oversee volunteers in quasi-teacher aide roles to assist teachers in the classroom.

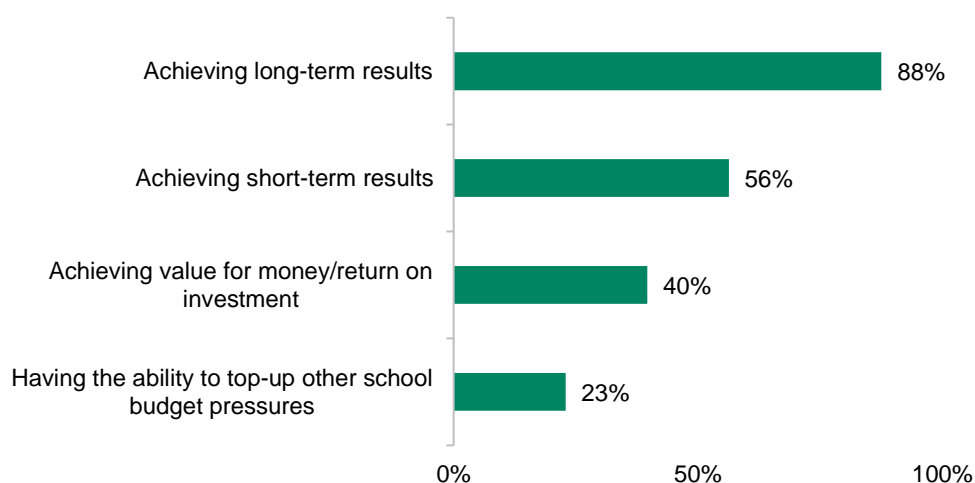
We identified difficulties for schools achieving value for money due to:

- the short-term nature of confirmed funding allocations under both Great Results Guarantee (12 months) and Investing for Success (two years), noting most education experts and audit interviewees report that achieving student improvements in learning requires a long-term focus of at least five years
- no formal mechanism or requirement for schools to report (to DoE) instances of significant expenditure change or where a principal has decided to spend money differently from the approved Investing for Success agreement
- the fact that approaches to purchasing teaching and learning technology licenses occur at a school level and are not formally coordinated across local clusters or regions. Unlimited licences for the system could be negotiated for commonly used software packages (for example, Progressive Achievement Tests (PAT)), or DoE could develop comparable tools in-house.

In addition, less than half of the principal survey respondents (40 per cent) prioritised value for money when making Investing for Success funding decisions (see Figure 31).

Most principal survey respondents (88 per cent) reported that they prioritised long-term results when making Investing for Success investment decisions. Striving for long-term results is consistent with a value for money approach, but is inconsistent with the historical short-term, uncertain nature of Investing for Success funding allocations. Some principals demonstrated an over-reliance on the future continuation of the funding to sustain their long-term investment decisions.

Figure 31
2016 Investing for Success funding priorities



Source: Queensland Audit Office.

Complying with policies, procedures, and internal controls

Our audit identified some errors and internal control deficiencies (including several significant deficiencies) related to procurement and expenditure. DoE could strengthen awareness and training for principals about financial management and accountability requirements. For example:

- supporting expenditure decisions with evidence about the intended improvement for students (some schools used funding to refurbish office space, remove trees, buy signage, undertake overseas travel, upgrade facilities, purchase administration resources, and lease buildings that could not be linked back to a student performance outcome)
- applying DoE's *Purchasing and Procurement Instructions* (some schools had breached these instructions)
- linking the cost of each initiative to an approved strategy and improvement priority (some schools' agreements could not demonstrate the link between expenditure and their planned school improvement actions)
- monitoring overall Investing for Success budgets (some schools do it as part of the school's whole-of-school budget in DoE's centralised finance system, OneSchool, and others do it separately)
- monitoring the expenditure of individual initiatives (some schools costed actions for each initiative separately as part of their agreements, and others have not allocated separate sub-cost centres).

Nearly one-third of principal survey respondents (31 per cent) reported they monitored their Investing for Success expenditure with other tools outside of DoE's OneSchool system, for example, Microsoft Excel. This creates a degree of duplication of processes and limits DoE's ability to centrally oversee school expenditure.

We also noted that some of the schools we visited were reluctant to spend all the Investing for Success funding in full. This was due to historical uncertainty about the funding amounts and the continuity of the funding beyond 2017. This is consistent with our analysis of state school expenditure in 2015 and 2016, which reports approximately 11 and four per cent of the total allocations respectively as being unspent.

Monitoring progress and reporting on outcomes

The Organisation for Economic Co-operation and Development (OECD) reported that school autonomy and accountability go together. It reported that greater autonomy in decisions about how resources are allocated is associated with better student performance when schools operate within a culture of accountability.

In Queensland, principals are required to use school resources, including government funds, both:

- effectively—in terms of the intended outcomes of programs or investment decisions
- efficiently—achieving the lowest possible cost to deliver an outcome.

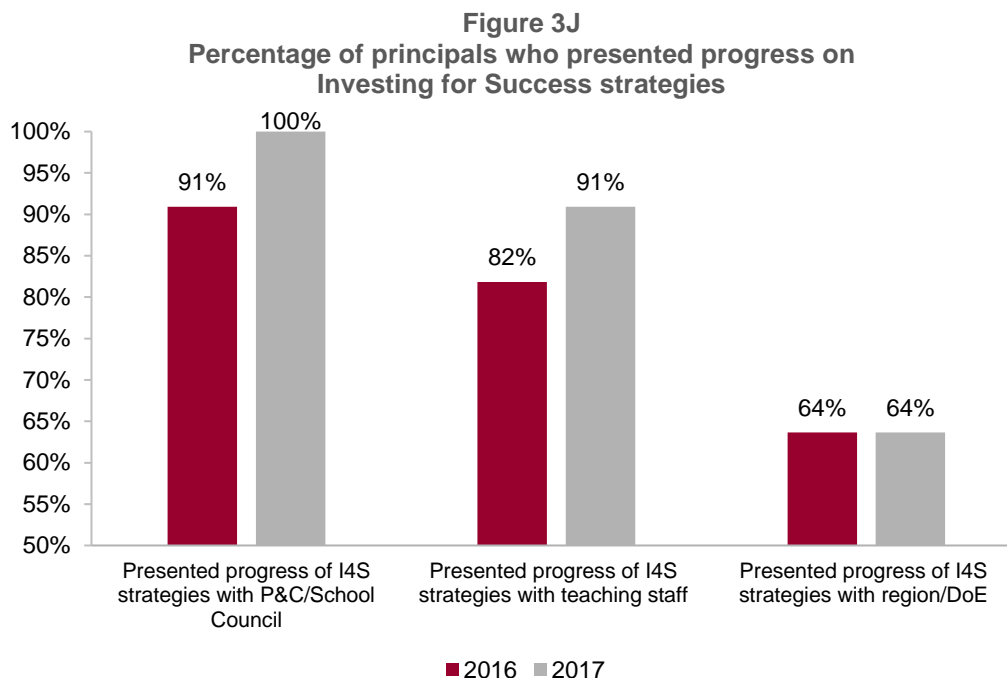
DoE built accountability mechanisms into the Investing for Success initiative by requiring school principals to monitor progress and report on the outcomes of their expenditure decisions to their school community. These requirements were intended to support the director-general (as DoE's accountable officer) and principals in discharging their respective statutory obligations. They included instructions that schools:

- communicate regular updates and progress, such as through a newsletter, website, or principal report, to the P&C/school council meeting
- formally report to their community on results of Investing for Success investment decisions, such as through annual reports.

Monitoring progress

Communication between principals and school communities

Principal survey respondents reported an increase in how often they communicated progress to local P&C associations/school councils from 2016 to 2017. However, not all respondents complied with all DoE's community accountability requirements (Figure 3J).



Note: I4S—Investing for Success.

Source: Queensland Audit Office.

Communication between principal and region/DoE

DoE's primary consultation and reporting requirement is to school communities, but assistant regional directors play an important role in agreeing the areas of focus and the strategies, and in monitoring progress of Investing for Success—particularly as part of monitoring whole-of-school performance. They are also legally recognised as the supervisor of a principal on behalf of the director-general.

During our visits we noted different styles and approaches adopted by assistant regional directors in monitoring schools, with some regions and assistant regional directors exercising more control over their schools than others.

There are conflicting views of the role of assistant regional directors within schools. All assistant regional directors reported that DoE has been moving away from an historical top-down 'command and control' culture to a flatter 'companionship model' that focuses on coaching/facilitating rather than supervising. Schools and regions that we visited strongly support the intention of a companionship model that facilitates locally-informed decisions and flexibility of school operations.

Eight out of 12 assistant regional directors we interviewed took a proactive approach to monitoring Investing for Success through one or more of the following practices:

- reviewing agreements and challenging the strategies or targets
- discussing Investing for Success progress as a standard agenda item during each school visit
- following up with schools on progress reports (such as snapshot reports) not published on school websites.

The remaining assistant regional directors interviewed describe their roles as ‘hands-off’ as a result of DoE’s cultural change expectations. They limit any review of agreements to a check of grammar and punctuation and a high-level check focused on whether there is broad alignment of the agreement to strategic priorities.

The principal survey respondents reported that the regions/DoE are the ones they communicate with least about progress on Investing for Success investment decisions (as shown in Figure 3J). If these schools are also not being monitored by their communities, then no-one is holding them accountable for spending the funds wisely.

DoE needs to clarify roles and responsibilities to reinforce that:

- assistant regional directors, acting as a principal’s supervisor on behalf of the director-general, should oversee and review schools’ implementation of Investing for Success initiatives and funding
- principals, as accountable officers, are required to comply with DoE and government funding requirements such as reporting progress and outcomes.

Reporting outcomes

School reporting requirements

Schools must report on student outcomes once a year in their annual report, to be published on their website by 30 June each year. They are not required to make initiatives funded by Investing for Success separately identifiable in these annual reports.

DoE introduced a separate planning and reporting cycle for Investing for Success, running in parallel to the whole-of-school cycle. DoE’s instructions to schools were to report on results of Investing for Success investment decisions each year. The instructions did not mandate a template or format. An optional template (the snapshot report), was issued to schools as part of their guidance material.

Reporting practices

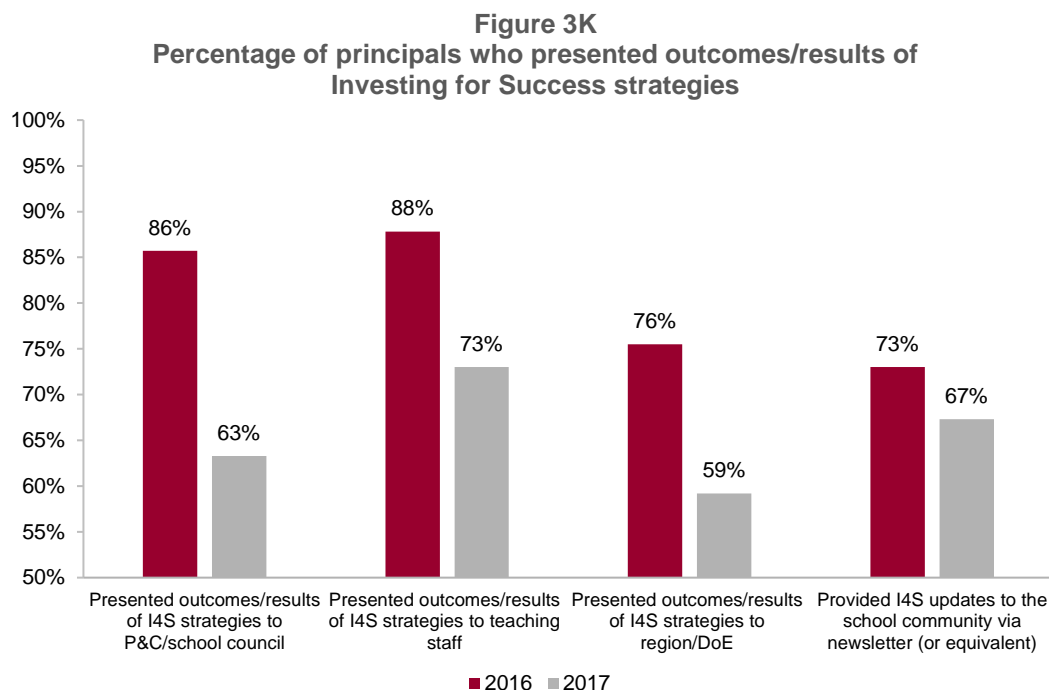
DoE instructed schools to report back to their community about the results or outcomes of their Investing for Success funding, but some of the schools we audited are not effectively reporting on their results at all. Our audit findings show that:

- some schools could not demonstrate how they reported results of Investing for Success funding to the community
- there was significant variability in the quality of reporting, for example
 - some schools chose to report on broad school improvement outcomes in annual reports but did not clearly identify Investing for Success targets and results
 - results of Investing for Success investment decisions were communicated in a variety of informal ways including newsletters, P&C meetings, and staff meetings
- some schools were selective about the Investing for Success targets they reported, and others could not demonstrate that they reported against targets at all
- some schools reported inconsistent and contradictory information about their Investing for Success results for the same targets across different documents/forums.

Refer to Appendix H (specifically figures H4 and H5) for details.

DoE’s current evaluation strategy acknowledges it has limited ability to monitor the effectiveness of Investing for Success outcomes due to schools’ inconsistent practices of reporting. Principals are at risk of not meeting their accountability requirements under Investing for Success funding and/or under the Queensland Government’s Financial Management Accountability Framework.

The survey results support the fact that schools need to improve their reporting of Investing for Success results. Figure 3K shows how principals communicated their prior year Investing for Success outcomes in 2016 and 2017. It shows a decline in reporting across all reporting forums, with the lowest reporting levels related to the region/DoE and P&C/school council. These represent the two key accountability mechanisms for principals.



Note: I4S—Investing for Success.

Source: Queensland Audit Office.

Based on the results of the principal survey, there is a need to build the capability of principals in setting effective targets, monitoring progress, and reporting on outcomes to reinforce and support their accountability obligations.

The principal survey respondents reported gaps in current skills in these areas. They also reported needing greater structure and templates/tools from DoE to independently assess school improvement gaps and performance. DoE has already created a large set of research-based tools and resources for schools. There is a high awareness of these but limited use of them.

Continuous improvement

The current poor quality of target setting and monitoring across schools limits the ability of DoE to reinforce a continuous improvement culture across schools. Inconsistent, and in some cases, absent approaches by DoE or regional offices to monitor schools' performance against targets at the end of a year means that schools are submitting new plans for approval and receiving new funding allocations without any feedback.

Measuring outcomes and the impact of investments

Linking planning to reporting

Schools are not relating planning to reporting because DoE's stand-alone processes for Investing for Success are separate to other school planning and reporting processes. This design of Investing for Success has made it difficult for schools to measure its impact on student outcomes in isolation from broader school improvement initiatives.

Despite schools generally directing their Investing for Success funds towards improving school/student performance, and in some cases achieving improvement, they have not been able to demonstrate a clear link between improved results and funding. Integrating planning documents and reporting tools would better support principals in making better, clearer links between investments, actions, and outcomes.

Having an integrated online system (such as the School Planning and Reporting Online software in New South Wales) is one way DoE could better support schools in making informed planning decisions and linking them to measured and reported outcomes. It would also improve accountability and performance by requiring schools to:

- assess the achievement of milestones throughout the year as part of their online self-assessment/progress review
- report evidence of progress regularly against planned improvement strategies in a single school improvement plan that is easy to access and update online
- improve visibility of changes to implementation approaches if progress is not in line with expected results (by recording adjustments to school plans)
- use regular reviews of milestones to inform annual reporting and broader communication about implementation progress and results.

Regular assessment (for example, once a semester) of progress is critical in monitoring whether expenditure and implementation of selected initiatives is on track. Formal progress reporting should also be used in ongoing discussions with assistant regional directors about the effectiveness of a school's improvement activities. This would help schools comply with accountability requirements.

Measuring impact

DoE's Standards of Evidence (refer to Appendix E) illustrate how schools should measure impact and distinguish between outcomes and outputs. The Australian Centre for Social Impact distinguishes outputs (such as a learning program) and outcomes (such as changed learning behaviours) from impacts (longer-term outcomes such as a student's future employment prospects).

Most schools we audited reported the actions or programs implemented (outputs) with Investing for Success funding rather than student outcomes. This is in part due to the design of Investing for Success templates that do not directly link planned actions and performance targets with reporting outcomes.

In addition to difficulties for schools reporting and measuring outcomes, their performance measurement processes are not yet mature enough to identify whether a specific school improvement strategy has had the intended longer-term impact. A small number of schools we visited had started to measure the outcomes of individual strategies, for example, benchmarking the strategies to enable measuring of changes in student results the following year. We noted that it is difficult for schools to measure outcomes and longer-term impact because:

- the separate Investing for Success planning and reporting processes mean that it is not always easy to make a strong link between Investing for Success funding and improvements to student learning. Separate reporting requirements do not reflect the combined effects of multiple school improvement initiatives and funding sources
- there are multiple variables affecting a student's learning outside of the school environment that the school cannot control or change
- schools are trying to measure long-term improvements on student outcomes but with a short-term funding focus
- there is a time lag between school improvement investment decisions and available data to measure changes in students' learning.

System performance is measured by DoE using standardised assessments like NAPLAN. However, principal survey respondents reported a preference for internally-generated assessment of student performance, like A–E data that relies on a teacher's individual judgement of a student's achievement. The different approaches to measuring student learning outcomes limit the ability of school-generated data to assess potential impacts of initiatives like Investing for Success on system improvement.

Schools are now beginning to measure incremental gains in student performance to assess the short- to medium-term effectiveness of improvement initiatives—to move beyond a focus on NAPLAN results. Other jurisdictions are introducing new ways to measure the impact of their schools on student outcomes. For example:

- New South Wales has developed a 'value-added' measure that considers university acceptance rates, school attendance, and retention rates. It will look at non-academic measures such as how schools contribute to the probability that a student will complete school or go to university and decrease the probability that they will be suspended or excluded from school. They are also developing a measure to track progress of children across all 12 years of schooling.
- New Zealand and Finland have introduced a voluntary system of self-assessment that teachers use to measure the success of their own teaching throughout the year.

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Appendix A—Full responses from agency

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the A/Director-General of the Department of Education.

The head of this agency is responsible for the accuracy, fairness, and balance of their comments.

This appendix contains their detailed responses to our audit recommendations.

Comments received from Acting Director-General, Department of Education



Office of the
Director-General

Department of
Education

12 MAR 2018

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Email: gao@gao.qld.gov.au

Dear Mr Worrall

Thank you for your letter dated 19 February 2018 regarding the Queensland Audit Office (QAO) Performance Audit on the *Investing for Success* initiative.

I appreciate the opportunity to provide feedback on the proposed report and the courtesy QAO has provided officers of the Department of Education to provide input and comment on the report throughout its development.

This initiative has been a signature program for the Queensland state schooling system, providing schools with additional funding and the autonomy to allow them to invest these funds in supporting the learning needs of their students. This local decision making allows for the targeting of these funds, where they will make the greatest difference for each school community.

The allocation of funding under this initiative was designed to target those schools and students with the greatest needs and required schools to share with their communities where these funds were best invested to enhance student learning.

Education stakeholders have applauded the approach taken under the current *Investing for Success* initiative and the previous *Great Results Guarantee* program.

The department accepts the report's six recommendations and will work with stakeholders to consider and plan their implementation to help refine the *Investing for Success* initiative. Please find attached our response to the recommendations and the associated implementation timeframe.

The department maintains a deliberate, sustained and relentless focus on improvement. Queensland has been recognised nationally and internationally for the statistically significant improvements in performance that have been recorded over the past decade.

While the *Investing for Success* initiative represents just 3% of the department's revenue and is just one of the many programs that played a role in achieving these results, it has

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been extensively acknowledged by schools and their communities as making a significant difference to the programs and services available to support students.

It is pleasing to note the performance audit determined that the department has effectively used additional funding to reinforce its strategic commitment to building a culture of continuous improvement in student and school performance.

This report will allow the department to continue to build on our broader school improvement work.

I thank you and the performance audit team for the approach taken during this process and their engagement with departmental staff throughout the audit.

If you require further information or assistance, please contact Ms Leanne Nixon, Acting Deputy Director-General, State Schools, by email at leanne.nixon@ged.qld.gov.au or on (07) 3513 5803.

Yours sincerely



ANNETTE WHITEHEAD
Acting Director-General

Ref: 18/106163

Enc

Responses to recommendations

3

Department of Education Investing for Success Performance Audit (2017–18)

Response to recommendations provided by the Acting Director-General, Department of Education on 12 March 2018.

Recommendation	Agree / Disagree	Timeframe for implementation	Additional comments
1. The Department of Education (DoE) considers integrating future Investing for Success funding into broader school funding, improvement strategies and processes	Agree	Semester 2, 2019	DoE will work with its stakeholders to explore options for future arrangements.
2. DoE reviews the Investing for Success allocation model to ensure ongoing transparency, equity and continuous improvement of the needs-based approach. This should include: <ul style="list-style-type: none"> regular reviews of schools' funding needs and categories of disadvantage clear communication of future changes to funding categories and amounts 	Agree	Periodic review	DoE will work with its stakeholders to explore options for future arrangements, taking account of any Australian Government funding requirements.
3. DoE clarifies Investing for Success governance structures. This should include: <ul style="list-style-type: none"> accountabilities and responsibilities of assistant regional directors and principals the appropriateness of community accountability models (parent and citizen associations and school councils) oversight mechanisms for temporary school staffing employment decisions 	Agree	Semester 2, 2019	DoE will work with its stakeholders to explore options for continuing to strengthen future governance arrangements.
4. DoE strengthens monitoring, reporting, and evaluation processes to better link investment decisions to school improvement outcomes	Agree	Semester 2, 2019	DoE will continue to support schools increasing the precision of their investments to affect improved outcomes.
5. DoE provides more targeted guidance to schools in need of additional support to further lift the quality of school improvement plans, targets, and measures	Agree	Currently under development	DoE continues to actively support the collection and use of evidence in school planning processes and ongoing development and publication of material on the Evidence Hub.
6. DoE provides greater support and training to principals and assistant regional directors in the areas identified by surveyed principals during the audit, including strategic financial management, program evaluation, monitoring and reporting, and stakeholder engagement/ community consultation	Agree	Semester 2, 2020	DoE continues to strengthen the capability of principals and assistant regional directors in leading the management of the school.

Appendix B—Audit objectives and methods

Audit objective and scope

The objective of the audit was to assess the economy and effectiveness of the Investing for Success initiative in supporting students, particularly those most in need, in achieving improved outcomes.

We assessed the audit through the following sub-objectives, lines of inquiry, and criteria:

Figure B1
Sub-objectives, lines of inquiry, and criteria of the performance audit

Sub-objective 1: The Department of Education (DoE) designs and manages the Investing for Success initiative to effectively empower schools to invest in initiatives that improve student outcomes.			
Lines of inquiry		Criteria	
1.1	Does DoE equip schools to effectively plan and invest Investing for Success funding in initiatives that maximise student outcomes?	1.1.1	DoE provided effective guidance and support to schools on how to plan and invest the Investing for Success funding to improve student outcomes.
1.2	Does DoE allocate funding in an equitable and transparent, needs-based method to schools and students requiring the most support?	1.2.1	DoE allocates Investing for Success funding in an equitable and transparent, needs-based method.
		1.2.2	DoE invests Investing for Success funding in students requiring the most support to improve student outcomes.
1.3	Does DoE effectively evaluate its design, implementation, and delivery practices to guide decisions and continuous improvement of the Investing for Success initiative?	1.3.1	DoE effectively monitors schools' implementation of the Investing for Success initiative.
		1.3.2	DoE conducts timely initiative evaluations and uses evaluation results to inform policy development and implementation.

Sub-objective 2: Schools use Investing for Success funding to effectively improve students' outcomes in an economical manner.

Lines of inquiry		Criteria	
2.1	Do schools use Investing for Success funding to effectively provide students with appropriate support in line with DoE guidance and other school strategies?	2.1.1	Schools have processes in place to prioritise initiatives on which to use Invest for Success funding.
		2.1.2	Schools invest Investing for Success funding in well planned strategies.
2.2	Can schools demonstrate that Investing for Success funding helps maximise outcomes for students, particularly those in most need of support?	2.2.1	Schools consult and disclose within their school communities what they intend to spend the funding on.
		2.2.2	Schools monitor and report progress on outcomes achieved, with the initiatives implemented in a timely manner.
2.3	Do schools procure the support for students using the Investing for Success funding economically?	2.3.1	Schools apply strategic procurement principles in obtaining support for students.
		2.3.2	Schools' procurement processes support value for money decisions.

Source: Queensland Audit Office.

Reason for the audit

Australia's education system has delivered several reform initiatives over the last 10 years to address the increased focus on students most in need. In Queensland, this includes:

- low socio-economic communities and developmentally vulnerable children (for example, school-based language and cognitive skills, as reported in the Australian Early Development Census, 2015)
- geographic diversity that requires education to be delivered across many remote and rural areas
- Aboriginal and Torres Strait Islander student enrolments.

The Queensland Department of Education (the department or DoE) established a four-year funding initiative in 2013–14, known as Great Results Guarantee, to deliver \$794 million of Commonwealth funding from its Students First policy to over 1 200 state schools—to improve student outcomes. The funding model was based on student and school characteristics calculated according to enrolment data and was initially focused on early years literacy and numeracy.

The Australian Government did not put any conditions on how DoE should allocate the Students First funding. Part of the focus of the Students First policy was to give leaders and teachers independence to make decisions and develop programs that best meet the needs of their students. In line with this, DoE gave schools the autonomy to determine their own targets and evidence-based strategies to meet their students' needs, and to be accountable to their community.

In 2016, the department changed the name of the funding initiative from Great Results Guarantee to Investing for Success to reflect a new needs-based funding model for allocating the remaining two years of funding, totalling \$480 million. Investing for Success was refocused to assist students in need of support at all levels of schooling up to Year 12.

Performance audit approach

We conducted the audit in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate Australian Auditing and Assurance Standards.

We commenced the audit in May 2017.

Our scope included:

- the then Queensland Department of Education and Training
- a sample of 17 Queensland state schools.

In addition, we conducted a survey of principals to determine the effectiveness of the planning, implementation, and reporting of the Investing for Success initiative, as detailed in Appendix H.

Appendix C—Other jurisdictions’ distribution of Students First funding

New South Wales		Western Australia	Victoria
NERA participation	Participating	Non-participating	Non-participating
Gonski/NERA funding allocation	<p>It has been distributed through the Resource Allocation Model (RAM), the sole funding model in NSW.</p> <p>The model is made up of three components: base school allocation; equity loadings (e.g. Aboriginal background); and targeted (individual student) funding (for students who require a high or moderate level of adjustment for disability, specific support, or are new arrivals or refugees).</p>	<p>It has been distributed through the Student-Centred Funding Model. Under this model, schools receive a one-line budget made up of a salaries component and a cash component. There is capacity for resources to be moved between these two components, subject to legislative and industrial requirements. The amounts are calculated using base rates (different for K, P–3, 4–6 and 7–12 year levels) and needs-based loadings (e.g. Aboriginal students).</p>	<p>It has been distributed to state schools by increasing the Student Resource Package (SRP), which was introduced in 2005.</p> <p>The Student Resource Package is made up of the following components: student-based (driven by the levels of schooling of students and their family and community characteristics); school-based (providing for school infrastructure and programs specific to individual schools); and targeted initiatives.</p>
Governance approaches	<p>This is a highly centralised system. Shifts towards greater autonomy started in 2012 with the Local Schools, Local Decisions education reform, giving schools more decision-making power over resource allocation (both staffing and operational funding). It also provided a comprehensive school planning and reporting framework and tools to allow schools to determine their own strategic direction.</p>	<p>The Independent Public School (IPS) initiative, which began in 2010, was designed to give principals of participating schools greater autonomy, particularly over resource allocation matters such as their schools’ budgets and staff hiring.</p> <p>The model also provides some flexibility for principals to develop locally tailored policies and processes, while adhering to core legislative and curriculum requirements.</p> <p>In effect, an IPS principal operates more like the CEO of a company, working closely with an elected school board (akin to a board of company directors) that is usually made up of parents, community members, and business representatives.</p>	<p>Victorian public schools have operated as Independent Public Schools for a number of years without being labelled as such. School councils in Victorian government schools have been at the centre of the governance framework since 1872 and have more extensive powers than in other Australian jurisdictions, including Western Australia.</p>

	New South Wales	Western Australia	Victoria
Autonomy over resource allocation	<p>Prior to 2017 schools had been receiving detailed information in their RAM funding advice outlining each targeted and equity component. There was a clear understanding of how the allocation for each of the loadings was determined with an expectation that the funding be allocated to students in line with the formula.</p> <p>In 2017 the RAM funding became a streamlined package of operational funding, with multiple line items rolled into a single allocation. This has given schools increased operational flexibility.</p>	<p>From 2015 onwards, funding for all schools (including non-IPS) has been delivered through one-line budgets. Each school's one-line budget consists of a salaries component and a cash component, with capacity for resources to be moved between these two components. Certain items like capital works, maintenance and security services are still managed centrally. Only specific Commonwealth programs (e.g. national partnership funding) and key state government election commitments (e.g. Independent Public Schools' administration funding) have remained as separate funding lines.</p> <p>The model enables resources to be used flexibly to best meet the learning needs of students.</p>	<p>Schools have high degree of autonomy over the allocation of funds through the Student Resource Package including over some staff appointments.</p>
Reporting requirements	No separate reporting requirements.	No separate reporting requirements.	No separate reporting requirements.

Note: In this table the following terms have been used:

Gonski—Based on the report authored by David Gonski.

NERA—National Education Reform Agreement.

K—Kindergarten.

P—Prep.

Appendix D—Summary of Queensland needs-based funding models 2014 to 2017

2014 Great Results Guarantee method	2015 Great Results Guarantee method	2016 and 2017 Investing for Success method
Base per-student rate (adjusted to distribute all available funding)	Base per-student rate (adjusted to distribute all available funding)	Base per-student rate
<ul style="list-style-type: none"> ▪ \$508 per enrolment Prep–Year 2 ▪ \$95 per enrolment Years 7–12 ▪ \$400 per enrolment in special schools 	<ul style="list-style-type: none"> ▪ \$535 per enrolment Prep–Year 2 ▪ \$235 per enrolment Years 7–12 ▪ \$415 per enrolment in special schools 	<ul style="list-style-type: none"> ▪ \$220 per enrolment for all year levels and all school types
Loadings	Loadings	Loadings
Low Socio-economic Status National Partnership (NP) schools—\$800 per student for duration of former NP agreement in place of other base and per-student loadings. Some ceased at the end of 2014.	Low Socio-economic Status National Partnership schools—\$800 per student for duration of former NP agreement in place of other base and per-student loadings. All ceased by the end of 2015.	Discontinued—All former Low Socio-economic Status National Partnership agreements ended. Socio-economic Status loading—\$400 per student in Quintile 1 Index of Relative Socio-economic Disadvantage (IRSED) \$225 per student in Quintile 2 IRSED
Indigenous enrolments—\$110 per Prep–Year 12 Indigenous student	Indigenous enrolments—\$110 per Prep–Year 12 Indigenous student	Indigenous enrolments—\$300 per Prep–Year 12 Indigenous student
English as an Additional Language/Dialect (EAL/D) (non-refugees)—\$2 300 per non-refugee student in Australia less than a year—not provided to schools with an EAL/D unit	EAL/D (non-refugees)—\$2 300 per non-refugee student in Australia less than a year—not provided to schools with an EAL/D unit	EAL/D—\$2 300 per EAL/D non-refugee student with less than a 'C' in English achievement—provided to all schools
Refugees—\$6 250 for each student who is a refugee in their third year in Australia	Refugees—\$6 250 for each student who is a refugee in their third year in Australia	Refugees—\$6 250 for each student who is a refugee in their third year in Australia
		Student with Disability (SWD)—\$300 per SWD with a verified Education Adjustment Program (EAP) Profile in Quartiles 3 or 4 enrolled in a mainstream school; \$200 per special school enrolment

2014 Great Results Guarantee method	2015 Great Results Guarantee method	2016 and 2017 Investing for Success method
		School location: \$70 per student in very remote areas; \$35 per student in remote areas; \$15 per student in outer provincial areas
	English foundations—\$150 per student for those in Years 3–12 who have lower than a ‘C’ standard in English	Discontinued.
	Mathematics foundations—\$150 per student for those in Years 3–12 who have lower than a ‘C’ standard in mathematics	Discontinued.
School administrative support—\$26 627 per school for medium- to larger-sized primary schools to ensure capacity and capability to manage finances and support autonomy	School administrative support—\$26 627 per school for medium- to larger-sized primary schools to ensure capacity and capability to manage finances and support autonomy	School size—administrative support—\$26 627 per school for medium- to larger-sized primary schools to ensure capacity and capability to manage finances
Top-up to ensure each school receives minimum funding of \$5 000 and final adjustment limited to 10% or \$10 000 different (whichever is smaller) from the school’s predicted amount	Top-up to ensure each school receives minimum funding of \$5 000 and non-low SES schools receive at least 2014 funding	Top-up to ensure each school (including OEECs) receives minimum funding of \$5 000 and at least 2015 funding

Source: Queensland Audit Office from DET.

Appendix E—State School Division’s school improvement model

The Queensland State Schools’ research-based change strategy, called the School Improvement Model, was launched at the 2017 Principals’ Conference.

The School Improvement Model brings together the existing frameworks of the School Improvement Hierarchy and the Standards of Evidence with a generic learning process known as the Inquiry Cycle. These are explained in the following paragraphs.

The lens of the School Improvement Hierarchy provides guidance on next steps for schools. Inquiry cycles help school staff sustain and refine next improvement steps and improvement practices over time. The Standards of Evidence provide a consistent way of discussing and assessing evidence, including evidence of impact.

School Improvement Hierarchy—Identifying need

The School Improvement Hierarchy guides what needs to happen next in a school’s improvement journey. It is based on the nine domains of the National School Improvement Tool, which was developed by the Australian Council for Educational Research (ACER) in consultation with states and territories, including Queensland. It is the basis of the Department of Education and Training’s (DET) School Improvement Unit (SIU) review methodology.

The hierarchy model asks schools to start their school’s improvement journey by discussing and analysing data and creating a culture that promotes learning. The next steps to improve performance rely on delivering curriculum and designing new teaching and learning practices (pedagogical practices) through targeted use of school resources and school–community partnerships.

Standards of Evidence—Linking actions to outcomes

The standards provide ways for a school to assess the link between what they’ve done and what they’ve achieved. They help to identify high quality strategies with a view to scaling them up across the system. Strategies are rated on design, impact, scalability, and investment. Where schools consider they have evidence of high quality actions and outcomes, DET encourages them to share their learnings with other schools online using the Evidence Hub portal that was launched in late 2015.

Inquiry Cycle—Sustaining improved performance

The Inquiry Cycle provides schools with tools to sustain their improvement results by:

- analysing data (scan and assess)
- collaboratively identifying key issues and restating them as improvement priorities (prioritise)
- developing well-designed, detailed, realistic, and actionable initiatives based on research (develop and plan)
- implementing activities with support and resources, including documenting data to measure improvement and ongoing monitoring and refinement (act)
- assessing whether the activities delivered improved performance (review).

As with the School Improvement Hierarchy, the use of data analysis and evidence-based practices are at the core of the cycle.

Appendix F—State schools' performance

NAPLAN results in key areas from 2011 to 2017

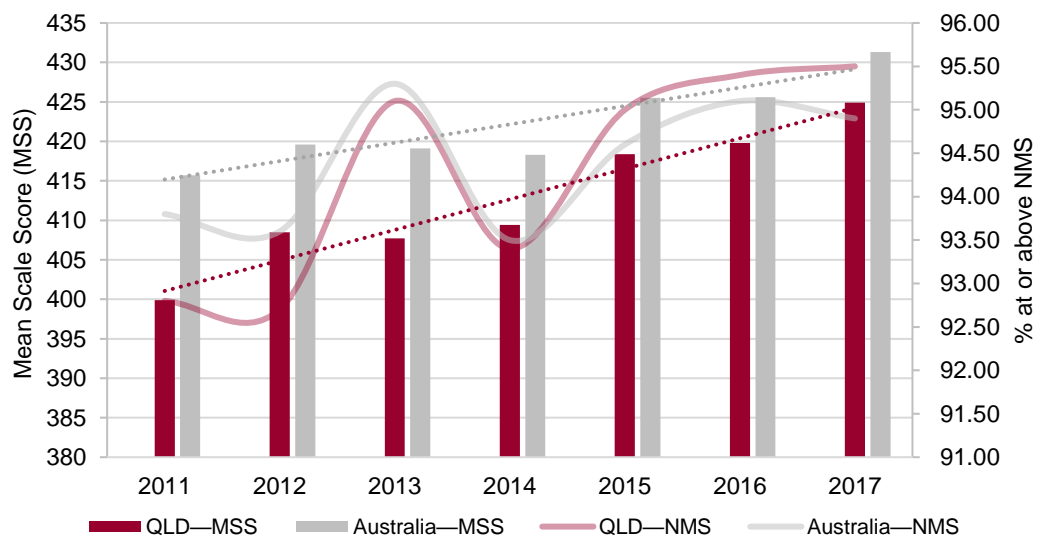
NAPLAN assesses domains such as reading, writing, spelling, grammar/punctuation and numeracy against standardised measures including:

- National minimum standards (NMS) that describe some of the skills and understandings students can generally demonstrate at year level.
- Mean scale score (MSS) is the average score of a cohort in a particular domain.

Examples of historical Queensland results are included below to illustrate progress since 2011:

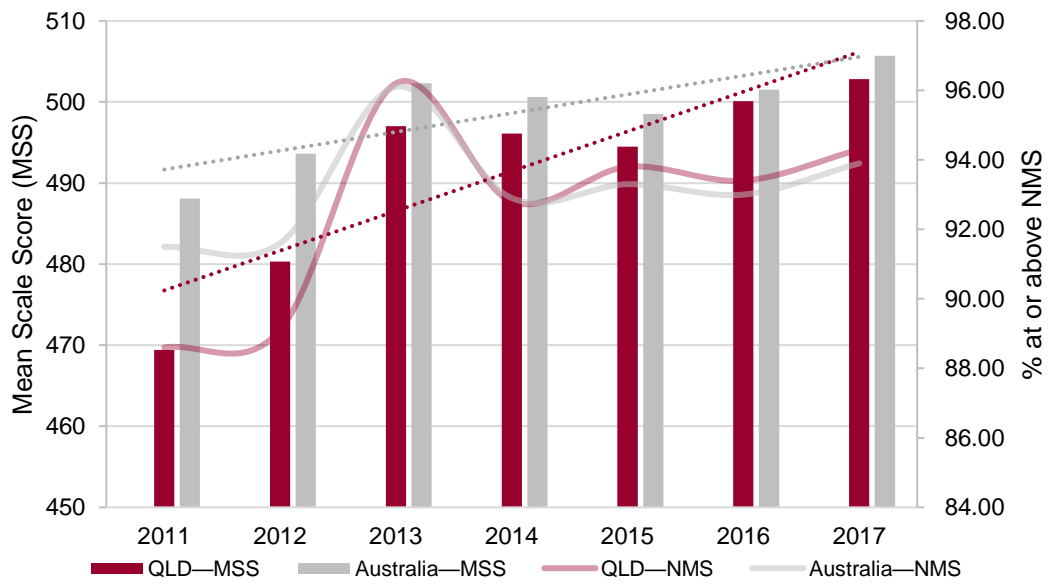
- Improvements in NMS and MSS measurements in reading (years 3, 5, and 7) and numeracy (years 3 and 5) where the gap to meet the national average is closing (Figures F1, F2, F3, F4 and F5). Year 12 outcomes are also improving (Figure F8).
- Gaps remain between Queensland and Australian national averages in years 7 and 9 writing (Figures F6 and F7).

Figure F1
NAPLAN results—Reading: Year 3



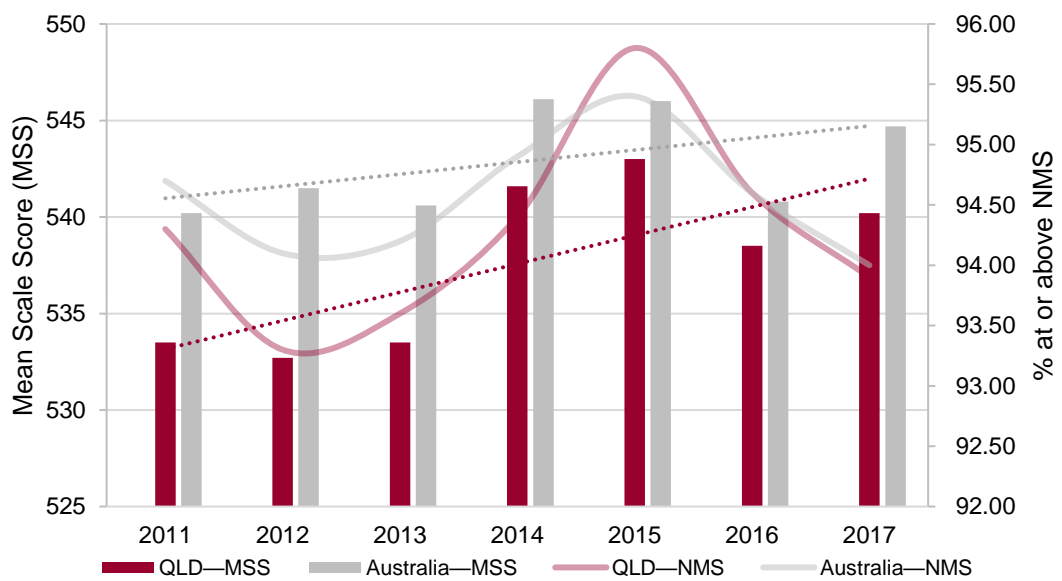
Source: Queensland Audit Office from www.acara.edu.au.

Figure F2
NAPLAN results—Reading: Year 5



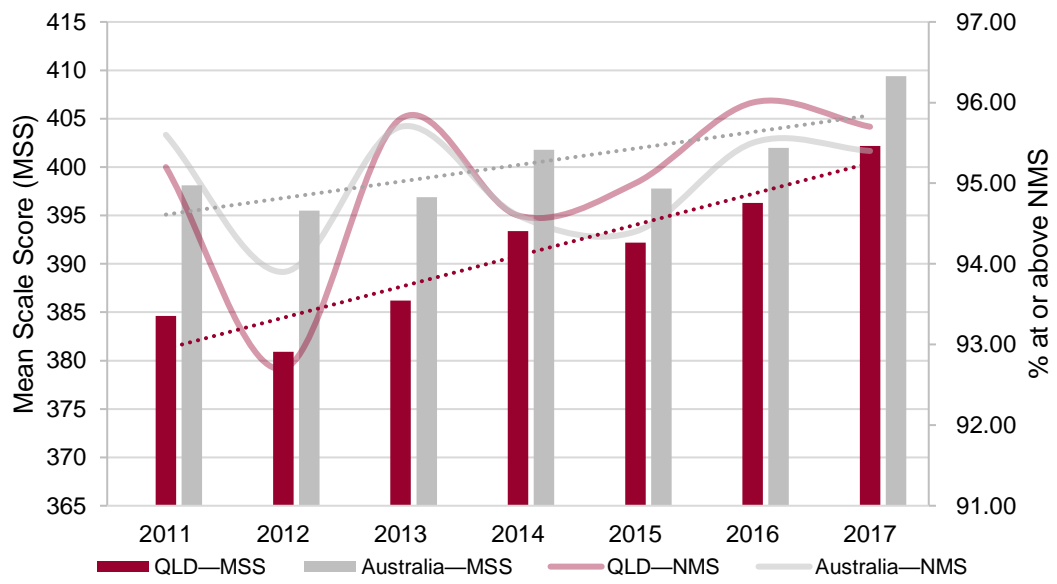
Source: Queensland Audit Office from www.acara.edu.au.

Figure F3
NAPLAN results—Reading: Year 7



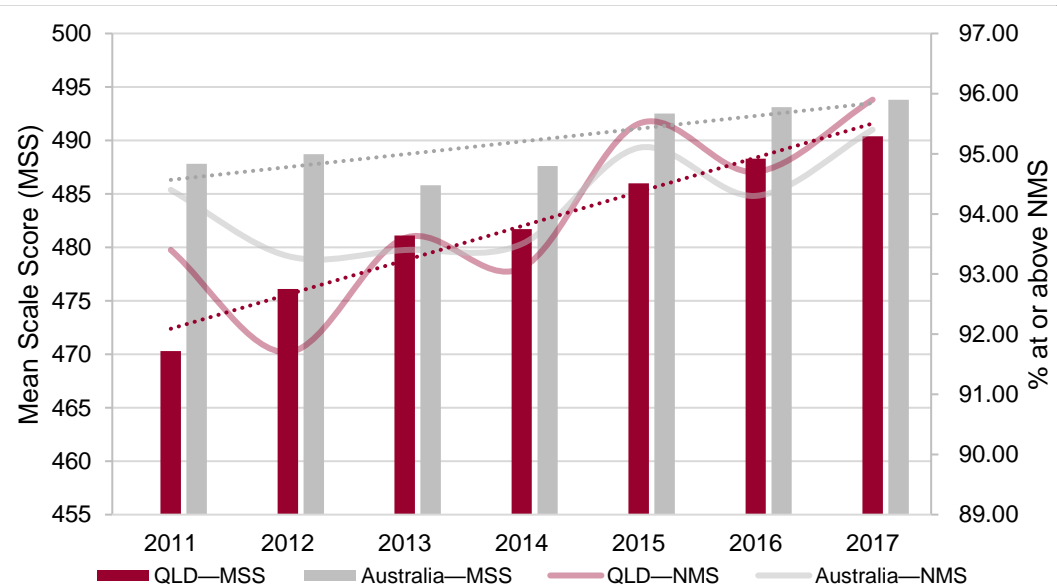
Source: Queensland Audit Office from www.acara.edu.au.

Figure F4
NAPLAN results—Numeracy: Year 3



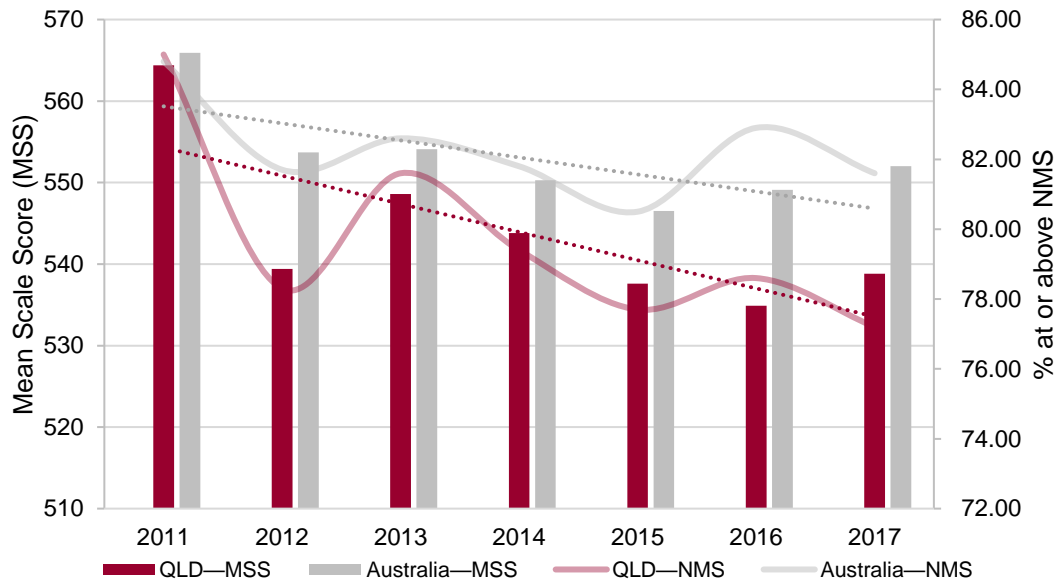
Source: Queensland Audit Office from www.acara.edu.au.

Figure F5
NAPLAN results—Numeracy: Year 5



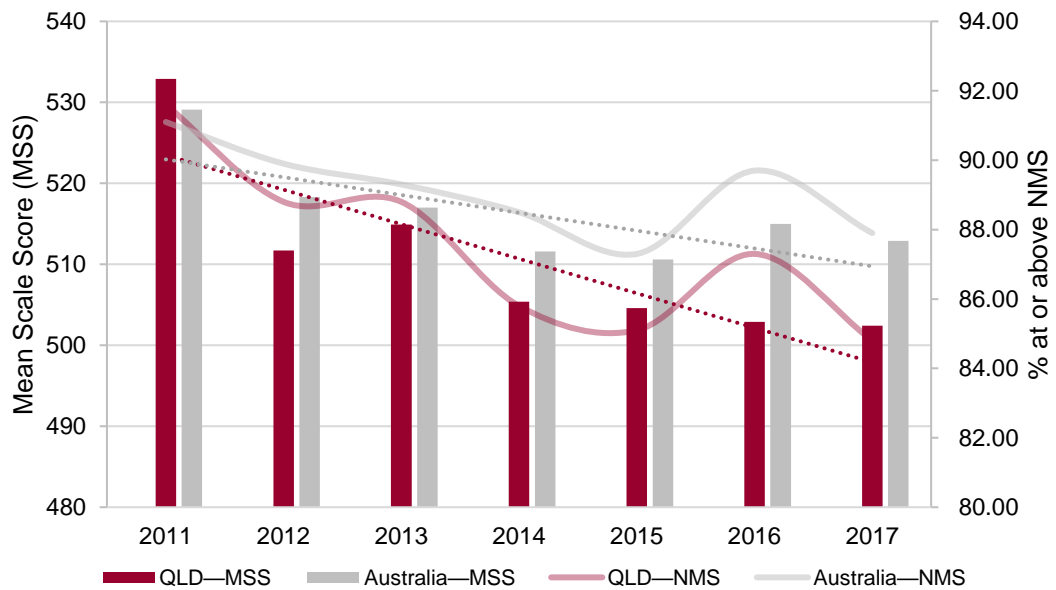
Source: Queensland Audit Office from www.acara.edu.au.

Figure F6
NAPLAN results—Writing: Year 9



Source: Queensland Audit Office from www.acara.edu.au.

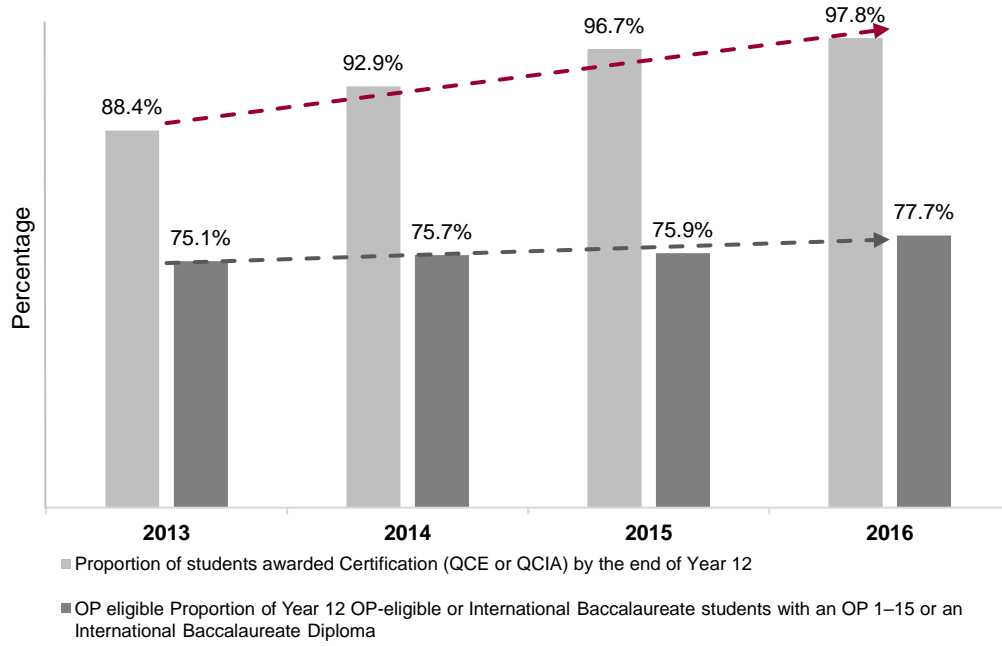
Figure F7
NAPLAN results—Writing: Year 7



Source: Queensland Audit Office from www.acara.edu.au.

Year 12 outcomes 2013–2016

Figure F8
Queensland state school Year 12 outcomes



Source: Queensland Audit Office from DoE's Annual Report.

Appendix G—Case studies

Case study 1

Investing for Success—improving teaching practices and student literacy results

School profile

The school is a large (around 1000 students) primary school in a low socio-economic area with an Index of Community Socio-Educational Advantage score in the low 900s. It has a significant proportion of Indigenous, Pacific Islander, and other groups, which are considered to be disadvantaged.

Planning

The school was a participant in the Low-socio-economic status (SES) National Partnerships funding initiative. Great Results Guarantee and Investing for Success funding is seen by the school as a continuation of the earlier initiative. Accordingly, a lot of its strategies originated under the Low-SES National Partnership. The planning process involved data review, brainstorming, and a strategy-selection session by the school's senior leadership team. The Department of Education and Training's (DET) School Improvement Unit (SIU) had conducted a 12-monthly priority review of the school and its recommendations heavily informed the strategy selection.

Consultation and review

The Investing for Success strategy was:

- presented to all staff for feedback
- tabled at a parents and citizens' (P&C) meeting for feedback
- reviewed by the assistant regional director (ARD) for broad alignment with DET strategies and guidelines.

School investments

The school used the Investing for Success funding on:

- two literacy and numeracy coaches
- more teachers—to provide release time for teacher professional development
- an increase in teacher aide hours.

Measuring and reporting on the outcomes of the funding

The school measures and reports its whole-of-school progress in its annual report, which includes extracts from the school data profile and a link to school NAPLAN results. The school does not use the optional snapshot report template to report specifically on Investing for Success initiatives and targets in isolation.

The school manages its budget as a one-line budget and reallocates amounts of unspent funds between cost centres as needed. It makes Investing for Success funding go further by charging graduate staff salaries to the Investing for Success cost centre and promoting existing experienced teachers (allocated by DET) into the coaching roles. A review of the school's Investing for Success expenditure report shows that its transactions are consistent with the agreement.

Evaluations

Although it hasn't met its 2016 targets, the school's literacy results have been improving overall. The school performed an internal evaluation of one of the teaching methodologies trialled in a limited number of classrooms and, having found it effective, is implementing it across the school.

Although Investing for Success funding is a significant contributing factor to this improvement, it is not possible to attribute the improvement solely to the initiative and view it in isolation from all other improvement initiatives and measures such as the former Low-SES National Partnership, the SIU review, and many other regional and state initiatives.

Case study 2

Investing for Success—improving student engagement and wellbeing

School profile

The school is a medium-sized (around 500 students) secondary school in the outer suburbs of Brisbane, located within the metropolitan region.

Planning

The appointment of a new principal coincided with the new strategic planning cycle for 2016–2019. This enabled the new principal to take ownership of the Investing for Success plan. The school listed its high-level strategies from the school plan as its Investing for Success targets and reflected recommendations from its 2015 SIU review. None of the school's Investing for Success targets meet the SMART criteria (for example 'developing and maintaining a highly skilled and capable workforce'). However, the 2016–2019 school plan contains seven SMART targets concerning Queensland Certificate of Education (QCE) attainment, attendance, student and parent satisfaction, and NAPLAN results.

Consultation and review

In 2016, the school began the process of becoming an Independent Public School (IPS). Until the school council is fully constituted, the P&C committee has been acting in a de facto school council role, approving the school's 2017 annual implementation plan and Investing for Success agreement. This is beyond the scope of its function and expertise. The school's inconsistent performance data, along with the appointment of the new principal, has resulted in the assistant regional director (ARD) giving the school more guidance. The school had limited ARD consultation about its Investing for Success plan in 2016 and none in 2017. There was reported confusion about the respective roles of the principal and ARD due to the school's pending IPS status.

School investments

Of the seven initiatives in the agreement, two were aimed at improving teaching practices and the remaining five related to: a remedial program; data practices; student wellbeing and engagement; a program targeting high performing students; and one targeting transition out of the school into the workforce or tertiary studies.

The school's main strategy for implementing student wellbeing and engagement programs was to appoint a community liaison officer (CLO). Some of the Investing for Success funding was spent on converting a storage area into an office for the role. The CLO oversees four areas: student and staff wellbeing; attendance; community events; and marketing and communication.

The school was unable to appoint a literacy and numeracy coach due to a lack of suitable candidates. It decided to use funding to improve student wellbeing and engagement, including expanding the hours of the school chaplain to full time (pastoral care and social and emotional support) and leasing a 21-seat bus (used for school activities and events).

A review of the school's 2015 expenditure showed a significant unspent Investing for Success surplus for 2015 (when the school did not have a permanent principal).

Investing for Success funding is considered part of the overall budget and is sometimes used to relieve budget pressures by covering unexpected/unbudgeted expenditure within core funding areas.

Measuring and reporting on the outcomes of the funding

The school does not report specifically on Investing for Success initiatives and believes it is artificial to separate the initiative from its overall improvement agenda. The school data profile reports improvement in student attendance and inconsistent NAPLAN results, with improvement in some areas and deterioration in others. The school values data analysis and it reports progress widely within the school. Its annual report includes progress against each of the annual implementation plan's objectives (for example 'to develop and implement a whole-school plan that supports student and staff wellbeing'). It does not report academic performance results, but references external website links to its NAPLAN academic results.

Evaluations

The school achieved two out of the seven targets (QCE and Year 7 NAPLAN results for numeracy) but did not achieve the other five. Of the five targets it did not achieve, there was an improvement in two cases, and deterioration in three. The school does not attribute its results to Investing for Success funding and initiatives.

Case study 3

Investing for Success—improving teaching practices

School profile

This school is a medium-sized primary school with approximately 700 students. It has an average socio-economic status. It is in a regional centre and has students from a wide range of backgrounds.

Planning

In the early stages of Great Results Guarantee, the regional office exercised significant control over strategy selection and required the school to justify certain proposed initiatives and actions. However, with Investing for Success, it subsequently limited its role to ensuring the school's processes had broad alignment with regional strategies. The school considers school performance and improvement collectively.

The school's data analysis showed low performance in writing and this was therefore chosen as the school's main improvement area. The regional focus was reading, but the school was able to justify its different focus by using data to demonstrate its decision.

Consultation and review

The school has an active and supportive P&C. The initial draft of the Investing for Success agreement, prepared by senior school leadership, was tabled at a P&C meeting for feedback.

School investments

The school has spent most of its funding on teacher aide support and staff professional development, and in purchasing additional classroom resources.

The school has allocated its teacher aide resources to implementing a literacy intervention program that is commercially available and widely used. The program required a significant investment in physical and human resources to set up. It is facilitated by a number of teacher aides, who allocate their time between running the program and other classroom duties, effectively boosting teacher aide support in the classroom and providing a link between the program and classroom activities. Diagnostic tests are administered to all students at all year levels several times throughout the year to identify the students in need of support. The school can clearly demonstrate the success of the program with short cycle student performance data as well as NAPLAN results.

The school's separate focus on improving teaching quality has been achieved through appointing an external consultant to train and support teachers, particularly younger, less experienced staff. The consultant delivers a structured formal induction program and ongoing mentoring. Staff attendance is facilitated through release time funded partially by Investing for Success. Staff reported that the investment has created a culture of openness and continuous improvement and ensured consistency of practice throughout the school.

The school has strived to maximise value for money by conducting professional development on site and integrating it, as much as possible, into its day-to-day activities, enabling staff to develop a personal relationship with the consultant. The school has effectively reduced additional costs for teacher relief and minimised class disruption that would have otherwise been incurred by releasing all teachers from classrooms to attend coaching and training off site.

Measuring and reporting on the outcomes of the funding

The school manages its budget as a one-line budget and considers separate Investing for Success processes as duplicating its whole-of-school planning, monitoring, and reporting. It generates community engagement and celebrates successes through its newsletter, Facebook page, and other public forums, and does not prioritise reporting separately on Investing for Success strategies.

Evaluations

The school has publicly reported meeting its target to 'improve teacher capability' but is unable to provide any data or measurements to support it. Staff feedback during the audit provided qualitative support for the investment. Of the seven measurable targets, the school met four, made an improvement on one, and recorded a deterioration on two.

Appendix H—Survey and sample results

We distributed an online survey to 61 principals, randomly selected within various subsets/strata of schools based on a number of characteristics. We ensured there was proportionate representation within each subset/stratum for each characteristic.

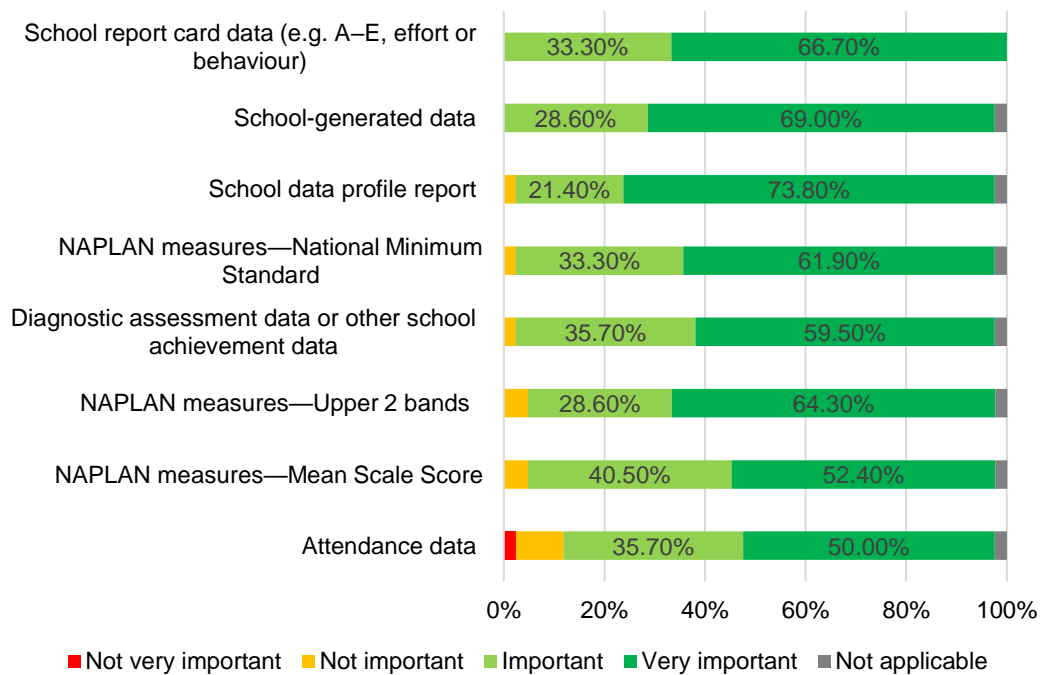
Forty-nine principals completed the survey, representing a response rate of 80.3 per cent.

The schools that responded belong to the following categories:

- type: state school (38), state high school (9), special school (1), other (1)
- region: South East (11), North Queensland (4), North Coast (7), Metropolitan (7), Far North Queensland (4), Darling Downs South West (9), Central Queensland (7)
- zone group: metropolitan (17), provincial city (8), remote (5), rural (19)
- size: extra small (13), small (11), medium (17), large (8)
- IPS status: IPS (11), non-IPS (38)
- Index of Community Socio-Educational Advantage (ICSEA): below 900 (5), 900–999 (27), 1000–1099 (10), 1100 and above (2), no ICSEA (5).

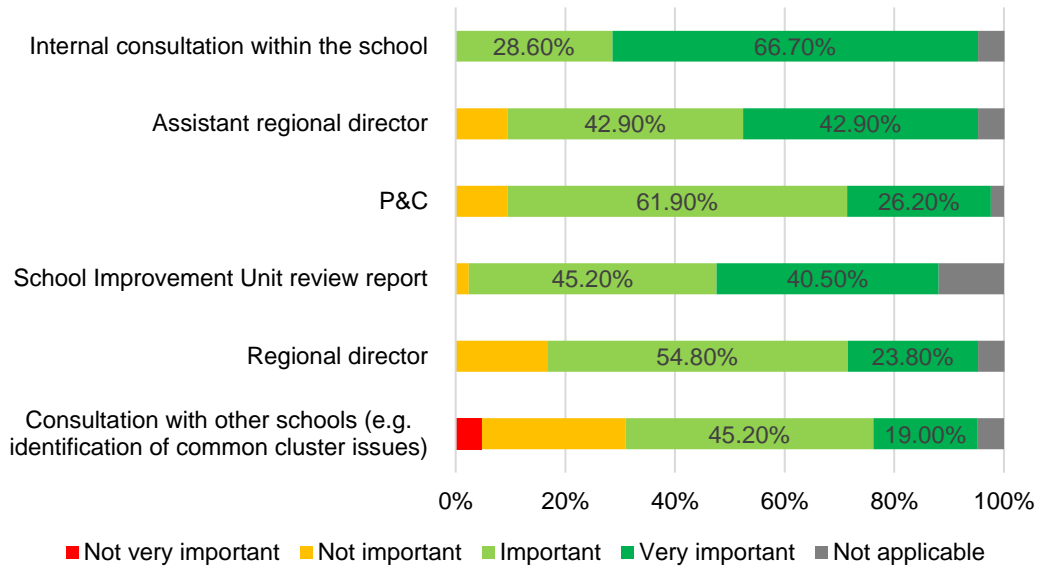
The survey was made up of questions about how schools use Investing for Success funds, and how they make decisions and report outcomes of the funding.

Figure H1
Data types in order of importance



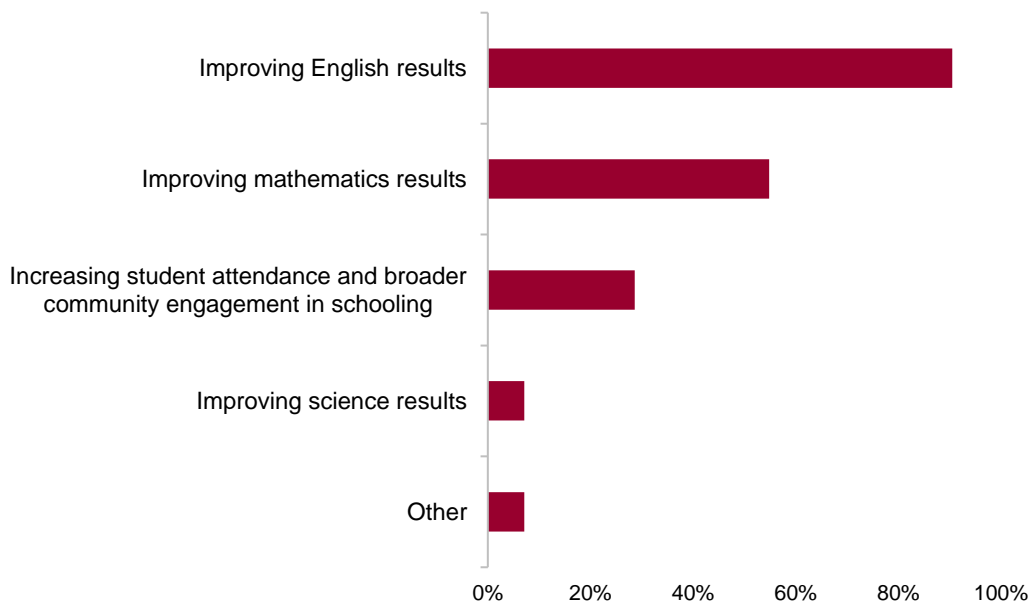
Source: Queensland Audit Office.

Figure H2
Consultation in order of importance



Source: Queensland Audit Office.

Figure H3
Areas of focus—subject areas



Source: Queensland Audit Office.

Figure H4 summarises our analysis of reporting practices at schools we audited.

Figure H4
Method of reporting outcomes

Method of reporting	Number of schools	Percentage of schools
Snapshot report, prepared using the suggested template, published on the school's website (as at 12 June 2017)	4	24%
Snapshot report, prepared using the suggested template, made available to the school community by other means	5	29%
Reported by other means (annual report, newsletter or similar)	8	47%
Total sample	17	100%

Source: Queensland Audit Office.

Figure H5 summarises our analysis of the nine schools we audited that used the Department of Education's snapshot report template.

Figure H5
Analysis of snapshot reports (where used)

Snapshot report reported on	Number of schools	Percentage of schools
All actions/strategies, and none of the targets	1	11%
Some, but not all actions/strategies, and none of the targets	3	33%
All targets (and all or some actions/strategies)	2	22%
Some, but not all targets (and all or some actions/strategies)	3	33%
Total number of schools in the sample that used the snapshot report	9	100%

Source: Queensland Audit Office.

Appendix I—Summary of Investing for Success initiatives at schools we audited

The following table is a summary (with names removed) of key Investing for Success initiatives/actions/expenditure, targets, and outcomes from the 17 schools we audited. Information sources include Investing for Success plans, annual reports, annual implementation plans, and outcome reports (for example, newsletters and snapshot reports).

The table uses the following abbreviations: EAL/D—English as an additional language/dialect; GRG—Great Results Guarantee; I4S—Investing for Success; MSS—mean scale score; NAPLAN—National Assessment Program – Literacy and Numeracy; NMS—national minimum standards in NAPLAN; OP—Overall position related to tertiary entrance scores; PAT–R—Progressive Achievement Tests in Reading; QCE—Queensland Certificate of Education; SMART criteria—specific, measurable, achievable, realistic, and time-related; U2B—upper two bands in NAPLAN; VET—Vocational education and training.

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
A	\$519 320	<ul style="list-style-type: none"> Offering professional development to support implementing whole-of-school literacy and numeracy programs Employing a community liaison officer to monitor and foster student and community engagement and implement attendance strategies Extending the chaplaincy program to promote student wellbeing 	<ul style="list-style-type: none"> The school used its high-level strategies from the school plan as its Investing for Success targets. For example: 'Enhancing communication and creating supportive and positive partnerships with parents/caregivers'. The school plan contained several SMART targets about QCE attainment, attendance, student and parent satisfaction, and NAPLAN results. None were specifically identified as Investing for Success targets. 	<ul style="list-style-type: none"> Targets were general (not SMART) and we were unable to assess progress against the stated Investing for Success targets. Whole-of-school targets were set out in the school plan (none were specifically identified as Investing for Success targets). It achieved two out of the seven targets (QCE and Year 7 NAPLAN results for numeracy) and did not achieve five. Of the five targets it did not achieve, there was an improvement in two cases, and deterioration in three. The school achieved 100% QCE, and year 7 U2B in numeracy of 17%. (The target was 15%.)

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
B	\$1 275 035	<ul style="list-style-type: none"> Employing a full-time specialist literacy teacher Employing a head of department—student engagement Employing a liaison officer, an industry liaison officer, teacher aides, and an administration officer Acquiring facilities, including a handball court, health hub, school bus, and stand-up desks Employing additional classroom teachers Implementing a peer instructional coaching program 	<ul style="list-style-type: none"> Improve reading levels for all students (specific targets for each year level of NAPLAN). Improve the transition of primary school students into secondary. Improve attendance by 3% overall and 5% for Indigenous students. 	<ul style="list-style-type: none"> Of the seven Investing for Success targets, one was not measurable. Only one of the remaining six targets was achieved (U2B in Year 7 reading of 13%. The target was 10%). Of the five targets the school did not achieve, there was an improvement in one case and deterioration in the remaining four.
C	\$1 979 703	<ul style="list-style-type: none"> Employing two literacy and numeracy coaches, responsible for pedagogical practices, coordinating professional learning teams, and a literacy intervention program and other initiatives Offering professional development and meeting associated teacher release costs Acquiring information technology equipment and other physical resources Employing additional classroom teachers and teacher aides to increase all teachers' non-contact hours for professional development attendance 	<ul style="list-style-type: none"> Improve NAPLAN results, including NMS and U2B, particularly in reading. 	<ul style="list-style-type: none"> Of the eight Investing for Success targets, seven were achieved. The remaining one was not achieved, and a deterioration was recorded compared to the prior year. The school exceeded its Year 3 reading results of NMS, achieving 94.2% (target of 90%), and U2B, achieving 21% (target of 20%).

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
D	\$4 869 713	<ul style="list-style-type: none"> ▪ Employing literacy and numeracy coaches ▪ Employing a community liaison officer to improve attendance ▪ Employing a head of department—EAL/D ▪ Employing an industry liaison officer ▪ Implementing numerous other strategies targeting students pursuing non-OP pathways to help them transition into the workforce or further studies (e.g. school-based apprenticeships and traineeships) ▪ Employing additional teacher aides ▪ Targeted professional development to build staff capacity (including teacher release) ▪ Acquiring resources, such as leasing demountable buildings to establish temporary classrooms, and buying information technology, software subscriptions, and teaching and learning resources 	<ul style="list-style-type: none"> ▪ Increase the percentage of students achieving the NMS and U2B in reading, writing, and numeracy. ▪ Increase attendance to more than 95%. ▪ Increase the percentage of students achieving C or above in certain disciplines. ▪ Some general targets, including 'increase intervention for EAL/D population'. ▪ Increase the percentage of students achieving an OP 1–15. 	<ul style="list-style-type: none"> ▪ Although formulated as 13 targets, 30 separate targets have been identified. ▪ The school achieved mixed results, reaching 15 of their 30 targets. The remaining 15 were not achieved and the school recorded deterioration on all of them. ▪ The school did not achieve all of its NAPLAN targets in reading. They achieved: Year 7 NMS 85% (target more than 91.2%); U2B 10.3% (target more than 7.7%); Year 9 NMS 80.9% (target more than 81.5%); and U2B 6.8% (target more than 6.3%) ▪ The school did not achieve its attendance rate target (88.7% against the target of more than 95% and the prior year's rate of 89.1%)

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
E	\$1 619 670	<ul style="list-style-type: none"> Creating literacy and numeracy support classes to provide interventions Employing a literacy coach Employing a teacher librarian Employing a maths teacher Acquiring tools and resources (including software subscription) Offering professional development Providing additional teacher aide support Employing VET (vocational education) coordinator to provide pathways for senior students 	<ul style="list-style-type: none"> Achieve various specific NAPLAN-related targets (NMS and U2B) for different components and year levels. Maintain QCE achievement at 100%. 	<ul style="list-style-type: none"> Although formulated as 10 targets, 39 separate targets were identified. No data was available to measure the school's progress against one of them. Of the remaining 38, the school achieved 17, recorded an improvement on 10, and recorded a deterioration on 11. The school aimed to increase its MSS in all NAPLAN areas and year levels by five points. It was able to do that in six areas out of 10 and achieved an improvement on its prior year's score in the remaining four areas.
F	\$1 041 238	<ul style="list-style-type: none"> Implementing a literacy intervention program, including human and physical resources Acquiring classroom resources (interactive panels, books, materials, phonics materials, and information technology (IT) resources) Offering professional development 	<ul style="list-style-type: none"> Achieve various NAPLAN-related targets (NMS and U2B) for reading for Years 3 and 5. Achieve PAT-R (school generated reading) targets for all year levels. 	<ul style="list-style-type: none"> Thirty-two separate targets were identified. No data was available for two of them. The school achieved 14 targets, recorded an improvement against seven, and recorded deterioration against nine. The school's target of achieving 100% NMS for all NAPLAN areas and year levels was not achieved for any of the 10 areas, but showed improvement on the prior year's score in four out of 10 areas. The school achieved its targeted 60% and 65% U2B for Years 3 and 5 respectively in five out of 10 areas and improved its prior year's result in two other areas.

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
G	\$2 645 249	<ul style="list-style-type: none"> ▪ Offering professional development and meeting associated teacher release costs ▪ Employing two heads of program (coaches) ▪ Employing an additional speech language pathologist ▪ Funding release time for teachers to attend professional development meetings. ▪ Employing a behavioural management teacher ▪ Employing additional teacher aides ▪ Employing a youth support coordinator ▪ Acquiring classroom resources 	<ul style="list-style-type: none"> ▪ Achieve 100% NMS in reading. ▪ Increase attendance rates. ▪ Decrease disciplinary absences. 	<ul style="list-style-type: none"> ▪ There were eight separate targets, one of which was identified as not measurable. Of the remaining seven, the school achieved two, recorded an improvement on three, and recorded a deterioration on two. ▪ The school's target of 100% NMS in reading for all year levels was not achieved, but it did report an improvement on the prior year's result in four out of five NAPLAN year levels.
H	\$4 260 090	<ul style="list-style-type: none"> ▪ Employing a deputy principal ▪ Employing a head of department—professional practice ▪ Employing six coaches, covering various areas of practice, to increase staff capability and implement coaching programs. This included meeting associated teacher release costs to facilitate the coaching programs ▪ Employing an employment connections officer ▪ Employing a student support officer ▪ Offering professional development and meeting associated teacher release costs ▪ Acquiring physical resources, including refurbishing certain facilities 	<ul style="list-style-type: none"> ▪ No specific outcome targets were set in the Investing for Success agreement. ▪ The high-level improvement agenda items, set in the school's annual implementation plan, were included in the outcome target section of the agreement. ▪ The school has set some targets in its annual implementation plan, which we deemed to be the school's Investing for Success targets. These targets related to reading, numeracy, behaviour, and post-school transition. 	<ul style="list-style-type: none"> ▪ There were 11 specific targets identified in the annual implementation plan. Of these, three did not have the data available to measure progress, three were achieved, and four were not achieved. Of the four that were not achieved, none recorded an improvement. ▪ The school's NAPLAN results in reading were: <ul style="list-style-type: none"> - Year 7: 91% NMS (against prior year's 93%); - Year 9: 77% NMS (against prior year's 72%).

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
I	\$530 836	<ul style="list-style-type: none"> ▪ Employing a deputy principal ▪ Acquiring additional speech therapy time ▪ Acquiring additional guidance counselling time ▪ Acquiring additional teacher aide time ▪ Performing hearing screening 	<ul style="list-style-type: none"> ▪ The targets related to Prep students achieving appropriate oral language standard and reading proficiency, and Year 3 NAPLAN performance in reading and numeracy. 	<ul style="list-style-type: none"> ▪ The school achieved two of its five targets, recorded improvement on two, and recorded a deterioration on the remaining one. ▪ The school's Year 3 NAPLAN NMS results in reading and numeracy were 86% (2015: 54.5%) and 81.8% (2015: 73%) respectively against the target of 85% in each, showing an improvement in both areas.
J	\$410 190	<ul style="list-style-type: none"> ▪ Employing a full-time guidance officer ▪ Employing a transition officer (part time) ▪ Acquiring an additional head of curriculum time ▪ Offering professional development ▪ Acquiring physical resources, including leasing a school bus 	<ul style="list-style-type: none"> ▪ The school targeted NAPLAN performance (reading, writing, and numeracy), attendance, literacy for Prep students, and QCE achievement. 	<ul style="list-style-type: none"> ▪ Eighteen specific targets were included. Two of them were not measurable. Of the remaining 16, the school met two, improved on six, and recorded a deterioration on eight. ▪ The school improved NAPLAN NMS achievement in six areas/year levels out of 12. It was able to maintain 100% achievement of QCE or VET I or II qualifications. ▪ It increased attendance from 85% to 86% but did not meet its target of 88%.

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
K	\$1 528 454	<ul style="list-style-type: none"> Employing a numeracy coach Extending a literacy coach's hours Employing a higher order thinking coach (part time) Acquiring additional release time to engage in professional learning communities Employing a success coach Acquiring additional teacher aides 	<ul style="list-style-type: none"> The targets are formulated in terms of NAPLAN performance in reading, writing, and numeracy, and A–E performance in mathematics, English and science. 	<ul style="list-style-type: none"> Three overall targets were broken down into 30 separate targets (by NAPLAN area, subject, and year level). The school met 24 of its targets, made an improvement on three, and recorded a deterioration on three. The school achieved its NAPLAN U2B targets in numeracy for Years 7 and 9. It achieved 31% and 24% respectively against the targets of 25% and 20%.
L	\$127 603	<ul style="list-style-type: none"> Acquiring additional teacher aide time Offering professional development, including teacher release time Acquiring physical resources 	<ul style="list-style-type: none"> The plan did not include targets that meet the SMART criteria. For example, the target set in the agreement was to 'develop reading skills and increase students' benchmark reading levels across all year levels through individualised one on one time with a reading mentor on a regular basis'. 	<ul style="list-style-type: none"> All students who accessed the reading program improved by at least one reading level. The school considered this target to be met.
M	\$1 102 702	<ul style="list-style-type: none"> Engaging a literacy and numeracy consultant; providing coaching to teachers Employing additional teacher aides to facilitate a literacy intervention program Promoting three teachers into lead teacher roles Employing a curriculum teaching and learning coach Purchasing physical resources 	<ul style="list-style-type: none"> In addition to a general target to 'improve teacher capability through focused coaching and professional development', the agreement contained a number of NAPLAN targets in the areas of numeracy and writing. 	<ul style="list-style-type: none"> The school has reported having met the target to 'improve teacher capability' but has not reported any measurable data. Of the seven measurable targets, the school met four, made an improvement on one, and recorded a deterioration on two. The school was able to achieve 100% NMS in numeracy for Years 3 and 5.

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
N	\$57 518	<ul style="list-style-type: none"> ▪ Offering professional development and meeting associated teacher release costs ▪ Buying teacher aide time to facilitate a school-based playground for potential Prep students to help them and their families prepare for school ▪ Acquiring a speech language pathologist's time to assess Prep students and others as referred by teachers 	<ul style="list-style-type: none"> ▪ The school targeted A–E performance in mathematics and English for all year levels. It also set a target of increasing the percentage of early years students (Prep–3) performing at or above the regional benchmark in reading and writing. 	<ul style="list-style-type: none"> ▪ Of the seven targets, the school achieved two, improved on three, and recorded a deterioration on two. ▪ The school increased the percentage of early years students performing at or above the regional benchmark from 75% to 92%.
O	\$83 772	<ul style="list-style-type: none"> ▪ Offering professional development and meeting associated teacher release costs ▪ Implementing a commercially available literacy intervention program, including funding human and physical resources ▪ Acquiring additional teacher aide time during mathematics lessons 	<ul style="list-style-type: none"> ▪ Most of the targets did not meet the SMART criteria (e.g. 'improve numeracy pedagogy', 'improve teacher capabilities targeted at improving student outcomes') or were action- rather than outcome-oriented (e.g. 'implement early years' intervention strategies for literacy and numeracy'.) ▪ There were three measurable targets in A–E performance in mathematics for various year levels. 	<ul style="list-style-type: none"> ▪ The school reported achieving three targets that did not meet the SMART criteria. ▪ The school could not demonstrate evidence of outcomes for two of its targets ('improve numeracy pedagogy', and 'improve teacher capabilities targeted at improving student outcomes') despite recording improved NAPLAN results in most areas. ▪ Of the three measurable targets related to A–E performance in mathematics, the school met one, but recorded a deterioration in the other two.

School	Combined GRG/I4S funding	Key initiatives/actions/expenditure	Key targets	Summary of 2016 results (the results cannot be attributed solely to Investing for Success)
P	\$568 834	<ul style="list-style-type: none"> Offering professional development and meeting associated teacher release costs Acquiring physical resources 	<ul style="list-style-type: none"> This is a special school providing schooling to students with intellectual disabilities. The targets are formulated using different measures/scales and assumptions (e.g. maintaining a certain level of performance). The target areas are English (reading and writing) and mathematics. 	<ul style="list-style-type: none"> The school met four out of five targets and recorded a deterioration on one. Thirty-eight percent of students gained or maintained a level within Concepts of Print (a scale for students with intellectual disability) against the target of 30%, and 27% of students achieved benchmarks (against the target of 25%).
Q	\$20 000	<ul style="list-style-type: none"> Increasing teacher aide support 	<ul style="list-style-type: none"> The school set two measurable targets for NAPLAN performance in reading and numeracy. It also set a general target that did not meet SMART criteria: 'to improve teacher capabilities through professional development and focused feedback, to achieve improved student outcomes'. 	<ul style="list-style-type: none"> The school met all its measurable targets. 100% of Year 3 and 5 students were in the U2B in reading and numeracy. (Note: the school has fewer than 10 students overall.)

Source: Queensland Audit Office.

Appendix J—Survey—Free-text comments

These free-text comments from the principal survey provide further insight into the Investing for Success initiative (commonly referred to below as I4S) and have been reproduced here in full. Some of them have also been quoted, as appropriate, in the body of the report.

Why I4S has been important

- It has allowed us to have the funds to employ more teacher time in delivering high quality practices with target groups of students.
- The I4S initiative has engendered successful student outcomes by allowing us to: purchase TRS to get all teachers together to complete cycles of inquiry for sustained improvement once per term; purchase hardware necessary to support students' digital literacy and ICT competence; purchase additional teacher aide time, deployed in the early years, to support students' oral language acquisition, reading, writing and numeracy skills.
- It has ensured that the money for extra teacher aide/professional development is there to support our students and help drive our explicit improvement agenda.
- The funding is significant and gives our school the capacity to implement a range of high yield strategies to improve student learning.
- This provides extra funds that can be used to support students.
- The high levels of support we are able to give students and staff would not occur without this funding.
- It provides additional funding to apply to school priorities identified in our Annual Implementation Plan.
- It has allocated additional support to be provided directly into the classroom.
- The I4S funding has enabled us to employ additional teaching and non-teaching staff to drive several key improvement agendas—including literacy and engagement.
- Allowed creation of role that directly and effectively impacted teaching and learning and improved outcomes.
- Funding provides release time for teachers and teacher aide support which allows a greater focus on the core priority of teaching and learning.
- The access to these funds allows us to focus in upon upskilling our staff with professional development that is directly related to the needs of the students at the school as well as providing us with the opportunities to purchase valuable resources and teacher aide time to support the implemented programs.
- The funding has enabled the school to target and fund key initiatives which support student learning and staff development.
- It has allowed us to improve practice of all staff with coaching.
- We have been able to fund initiatives that we could not before. It has allowed us the flexibility to focus on the Improvement Agenda for our school, which I am sure is different from other schools. This has been one of the most valuable funding initiatives to come out in years. I hope we keep it going.
- Funds provided have enabled the implementation of strategies for improvement in literacy and numeracy that have ensured progress for our students.
- This funding has enabled our school to purchase additional teaching staff to support students, which has directly improved our student learning outcomes.

- The funding allowed for the employment of staff to support the individual learning needs of our students to improve in reading and numeracy. It also supported valued professional development for our staff.
- The I4S initiative has enabled us to fund extra staffing and resources to assist with student improvement that aligned with our school's priority area.
- Have been able to create roles that support continued teacher growth (and subsequently learning improvement for children). These roles would not be able to be established and maintained through existing resourcing models. (Specifically Head of Curriculum, Maths Coach)
- I4S funding is approximately 3 to 4 times larger than the traditional 'School Grant' amount and is the most significant funding increase I have seen in my 25 year career. It allows my school to implement long term improvement strategies.
- Provided financial resources to enable employment of specialist staff (Lower School STLaN, behaviour coach, literacy coach, digital technology coach, speech language pathologist) and provision of professional development of teaching and non-teaching staff in targeted delivery of programs that are delivering improvements for our students.
- It has allowed us to focus more resources in regard to raising levels of reading and comprehension across the school.
- Critical element of employing a SLP has made significant positive impact upon Prep students to identify needs and apply early intervention.
- As a small school the funds have helped us meet the improvement agenda at our school significantly. We have improved learning environments and access to technology. But the most significant improvements have been to the achievement outcomes of our students — in particular their reading achievements.

General comments

- The power and influence on state schooling due to this initiative cannot be overestimated. It has allowed schools with limited budgets to approach school identified areas for improvement with confidence.
- I4S funding enables schools to focus on specific areas with expected outcomes.
- I4S Funding has enabled our school to invest in initiatives that would not have been possible without these funds and this has given us amazing results that would not have been achievable without this large investment of money. For schools to have the ability to make decisions at a local level is pivotal to the success of this initiative.
- This has been a great initiative that has benefits for the whole school community.
- I4S has provided our school with a far greater ability to target and achieve individual student and school improvement.
- I4S funding has proved very successful in helping to deliver high quality outcomes in particular in the areas of staff development, purchasing resources and student results.
- I am very happy with the way it works now.

Suggestions for improvement

Certainty and continuity

- Certainty of continuation of the funding. Additional funds linked to further teacher capability development.
- We really need for this funding to continue as the School Grant cannot sustain or support an improvement in student learning progress that the injection of I4S funding achieves.
- Continuation to ensure consistency and certainty in terms of staffing and support for programs/initiatives.
- Keep giving schools advice re its longer-term viability. We need certainty to plan and implement improvement agendas. This funding is critical in making it happen.
- Certainty of funding that will allow permanent positions to be advertised.
- It would be great if the planning associated with I4S could span more than 1 year. Long term planning and actions are vital to ensuring continued student learning outcomes. It also ensures previous work doesn't simply get pushed aside when a new initiative or leader enters the setting.
- Ensuring enough lead in time regarding the budget allocation to adequately collect staff and community information, align with strategic plans and write agreement.
- Consistent application of the initiative for forward planning (5+ years).
- Continuation of the initiative and funding surety — schools need funding assurance to effectively plan and cater for school and student improvement in their School Plans as long term (2–3 year) priorities contained within these will be dependent upon the availability of this resource.
- I believe the improvement of I4S sits with individual schools and the actual use of the funds in direct assessment to learning outcomes. The funding "must" remain a school-based decision with obvious accountabilities attached and transparency. If the funding is too heavily dominated by external factors outlining what it can and can't be used for — I believe it will lose its real purpose and function.

Transparency and clarity; guidance and support

- Several changes are critically necessary: ...
 - Prescribe the initiatives which can be funded from I4S and exclude structural management positions, facilities provision, etc.
- This funding should be used to improve teaching and learning for students. Not to employ people in promotional positions.
- Earlier advice on amount of funding to enable sufficient planning time.
- Knowing the availability of funding during Term 4 (year before implementation) as this is our critical planning phase.
- Each year, if there are changes to its intentions, that these be publicised early so that planning can occur.
- Our school is an ageing school with ICT infrastructure needs. We have been told by DET that our I4S money is to be used to maintain this infrastructure. This negates the benefits of the funding for improving student outcomes and DET should provide ICT infrastructure upgrades for older, low SES schools. Otherwise the gap between schools in high SES and low SES demographics will only widen.

Allocation formula

- I have concerns that lower socio-economic schools are not able to achieve the same growth as other schools, on average, as the current funding level does not allow them to implement all the programs they need. Needs based funding increases are still required for low ICSEA schools (below 950).
- Several changes are critically necessary:
 - Changing the per capita enrolment base to a graduated/stepped base.
 - Providing a quantum of base funds to allow significant strategies to be implemented.
 - Placing a cap on the funding to large schools so that large high schools do not receive the excessive amounts of \$3/4 million.

Integration versus stand-alone approach

- I4S is integrated in sitting parallel to other initiatives as a key development strategy of the whole school improvement agenda.
- I would be interested in the exploration of one-line budgeting, but that is not specific to I4S.
- Allow principals to integrate the outcomes and expenditure into the overall Annual Improvement Plan and not remain a stand-alone and separate document/plan
- The I4S initiative is a welcome support to our school programs and supports all children in our school. Extra funding would always be welcome. However we have met our budget expectations through thorough planning for student outcomes.
- The I4S should be wholly my specific improvement agenda.

Auditor-General reports to parliament

Reports tabled in 2017–18

Number	Title	Date tabled in Legislative Assembly
1.	Follow-up of Report 15: 2013–14 Environmental regulation of the resources and waste industries	September 2017
2.	Managing the mental health of Queensland Police employees	October 2017
3.	Rail and ports: 2016–17 results of financial audits	December 2017
4.	Integrated transport planning	December 2017
5.	Water: 2016–17 results of financial audits	December 2017
6.	Fraud risk management	February 2018
7.	Health: 2016–17 results of financial audits	February 2018
8.	Confidentiality and disclosure of government contracts	February 2018
9.	Energy: 2016–17 results of financial audits	February 2018
10.	Finalising unpaid fines	February 2018
11.	Queensland state government: 2016–17 results of financial audits	February 2018
12.	Investing for Success	March 2018

Contact the Queensland Audit Office

