

Performance Pay

As everyone knows there will soon be a federal election – and for the first time in a decade, it looks like it might actually be a race. As anyone who has read a paper in the last six months also knows, education is one of the key topics over which the election battle will be fought. On many education issues, the government and the opposition disagree – but on a few they seem to be in accord ... though their language may indicate otherwise.

One issue where this is the case, is 'performance pay' for teachers. The Federal Education Minister, Julie Bishop is openly calling for 'performance pay'. Her Labor counterpart, Stephen Smith, is less open, but clearly nodding in the same direction.

For parents, Governing Councillors and anyone simply interested in the future of education in Australia, this issue can seem confusing. Every time it is mentioned, the howls of protest in the media would lead us to conclude that everyone except for Ms. Bishop and Mr. Smith are vehemently opposed to 'performance pay' – but is this the case?

How are teachers currently paid?

Teacher salaries are reviewed on an incremental scale. Each year of service sees them move up a pay level. In South Australia there are eight levels to this scale. This means, basically, that after eight years a teacher's salary is as high as it is going to get – so by the age of thirty, a teacher's salary has plateaued. This is particularly relevant in Australia, where the average teacher age is around forty-five...

It must be noted that if a teacher's performance is rated as 'unsatisfactory', they do not move up the pay scale – but this is not a common occurrence. It should also be noted that compared to other OECD countries, Australian teachers are 'modestly' paid.

Is this a problem?

What is the problem with this method of remunerating teachers? Experts argue that the problem is three-fold:

- We may not be getting the very best people entering the teaching profession as their opportunity for pay advancement is limited
- There is no financial reward for teachers to continue to develop their skills and qualification >



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- The only opportunity teachers have to increase their income, is to move out of the classroom and either into administration positions or out of schools altogether.

Imagine this; you are thirty-two, you have a difficult and demanding job, where you have a tremendous responsibility, in a complex society and are trying to do your job with shrinking resources ... and your salary will never increase. How long would you stay in the job?

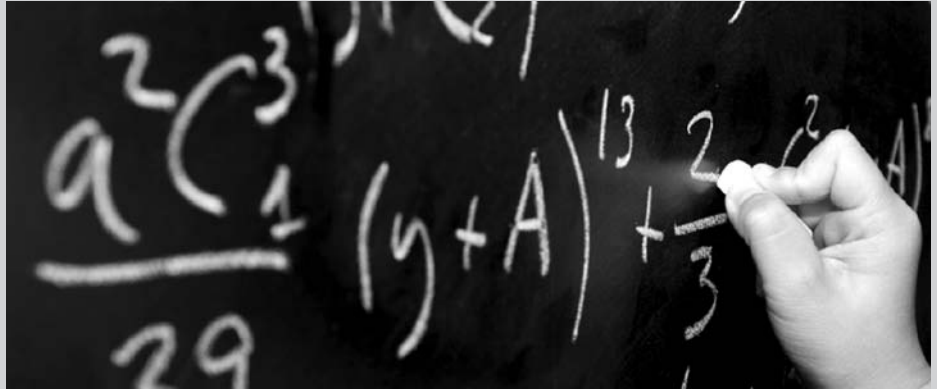
What are the effects of this?

Recent reports claim this is already affecting the education system. A recent study by the Australian National University states that people entering into teaching degrees in 1983 were in the 74th percentile for literacy and numeracy standards (meaning they had better standards than 74% of people in their age group). In 2003 this level had dropped to 61%. Researchers blame limited earning potential as the reason teaching is no longer attracting the same calibre of people it was 20 years ago. While this study has been criticised, all would surely agree that we want the best possible candidates to enter the education system.

ACER, the Australian Council for Educational Research argues that the 'current salary scales and career paths send a strong message to ambitious teachers that the most important thing for them to be doing is preparing to move out of teaching into executive positions if they wish to further their career. Many young teachers leave the profession after only a few years in the classroom'.

So, what is the alternative?

The option is to pay teachers based on performance rather than length of service. The Federal Government commissioned ACER to research the concept of 'performance pay' for teachers. The results were released in March of this year.



The report concluded that, 'There is an increasing desire among all stakeholders in Australia to develop policies for 'revitalising' the teaching profession (DEST 2003). This includes pay systems that are more effective in giving incentives for highly accomplished teaching, for keeping excellent teachers working in the classrooms and for providing professional leadership to colleagues'.

So, as can be seen from stakeholder comments and the research, everyone seems in agreement that a performance-based system is the best option for both teachers and students, with the AEU developing their own model for performance pay. Why then, the outcry?

As is often the case, the devil is in the detail. Basically, there are several forms of performance-based pay:

Australian Council of State School Organisations (ACSSO)

The national parents organization has also endorsed a performance-based pay scheme for teachers.

'ACSSO strongly supports the proposition that bonuses for teachers should be awarded to those who improve their skills and professionalism and mentor and provide professional development to their colleagues'

'Merit rewards are acceptable if they do not set teacher against teacher and if they recognise that teaching is a team activity.'

'Parent and citizen groups raise up to \$80 million a year in some states for public schools and have earned a stake in policy making.'

The Blueprint for Tomorrow's Schools – www.acsso.org.au

Australian Education Union (AEU) – ACT Branch

'Teachers and unions have long held a belief that there needs to be a system that recognises and rewards excellence in classroom practice ... This debate has shied away in the past from expressing itself as part of a discussion of performance pay issues but that agenda is not one that can be sidestepped any longer. There are pressures from among teachers themselves to develop systems that recognise and reward those who demonstrate excellence in their practice....'

ACT AEU, 2005

- Student performance
- Teacher knowledge of content
- Teacher contribution to school and professional community
- Teacher qualifications

The report and most stakeholders believe that a combination of several types of indicators should be used to review teacher performance. The contentious one is student performance. It is one which the Government wants included and one which teachers feel is problematic – how do you measure student performance? Is it fair, given the level of student capacity from class to class, school to school and state to state?

Federal Education Minister, Julie Bishop told the Sydney Morning Herald that she 'favours a model that links pay rises to improvement in student results, parent and pupil reviews of teachers, mentoring, leadership and professional development, and specialist skills'. Ms Bishop also wants 'teachers to be assessed on the improvements of their students over the year.' Ms. Bishop believes that this will benefit the best teachers most, especially at disadvantaged schools.

The report cited the other key problem is over what form of performance-based model should be adopted. Basically, there are two:

1. Merit Pay : this evaluates teacher against teacher, so that they are essentially competing for a pool of funds delivered in the form of a bonus. This could erode the collegiate nature of teaching and is seen as unfair, given that teaching is a team-based exercise.
2. Knowledge Based: where pay increases are determined by demonstrated improvements in teacher practice. The report claims that research suggests this is the model more likely to lead to improved student learning.

Regardless of which party wins the election, two things seem clear:

1. The day after the election, most of us will wake up to a government we didn't vote for
2. Performance-pay for teachers will be a reality.

The report cites a study which revealed 'that while 99.85% of Victorian teachers received a 'successful' performance review outcome, principals' perceptions of teacher performance told a different story: 10-20% of teachers were seen by their principals as 'outstanding'; 40-60% were seen as good teachers; 10-30% as below average performers; and 0-20% as 'significant under performers'.

What some stakeholders say

Australian Primary Principals Association (APPA)

'APPA would welcome any strategy likely to improve the quality of teaching, especially where that strategy was accompanied by funding necessary for effective implementation.'

'If workable performance-based pay schemes can be devised, therefore, it cannot sensibly be denied that some improvement in teacher performance may result, and at least some of the available evidence is to this effect.'

'In today's Australian society it could hardly be disputed ... that better pay is likely to attract and retain better job candidates and that linking pay to results is likely to improve performance. While the profession of teaching is undoubtedly significantly different from many occupations ... teaching cannot be said to be so different from other forms of employment that pay increases are not likely to provide incentives to better performance...'

'Importantly, all schools are ... the recipients of public funding derived from taxation revenue, and taxpayers are entitled to be satisfied that their tax dollars are used to best effect in the provision of public services.'

'Overseas, the evidence is again not clear ... but there is at least some evidence that schemes of this kind can work, and produce improvements in student outcomes.'

'The importance is that those required to manage a performance-based pay scheme ... are equipped with the knowledge and skills necessary to make decisions which will withstand scrutiny, not merely by a tribunal of some kind, but also by staff and parents.'

'Performance-Based Pay For Teachers – An Issues Paper' www.appa.asn.au

The report also cites overseas studies into teacher salaries and the purported link to student achievement. In Korea and Japan, teacher salaries do not plateau like in Australia and England. Concurrently, students in Korea and Japan perform significantly better in IEA TIMSS studies of student achievement in mathematics and science than Australian and English students. ■