

**Department of Education, Employment and  
Workplace Relation's Submission to the Senate  
Committee on Education, Employment and  
Workplace Relation's Inquiry into the Australian  
Education Bill 2012**

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## Introduction and Summary

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- 1.1 The Department of Education, Employment and Workplace Relations (DEEWR) welcomes the opportunity to make a written submission to the House of Representatives Standing Committee on Education and Employment inquiry into the *Australian Education Bill 2012* (the 'Bill').
- 1.2 The Australian Government, primarily through DEEWR, is working with state and territory governments and non-government education providers as part of a shared commitment to improve the quality of schooling nationally. The Australian Government plays an important role in providing funding and support to both government and non-government schools.
- 1.3 In September 2012, the Prime Minister announced the Australian Government's formal response to the *Review of Funding for Schooling* (the 'Review') and its plan for the future: the *National Plan for School Improvement* (the 'National Plan').
- 1.4 The Bill enshrines in legislation, the expectations and vision for the provision of and access to quality education. The National Plan will outline national education reforms to enable all students to acquire the knowledge and skills to participate effectively in society and employment, in a globalised economy, and make successful transitions to further education, training and work.
- 1.5 The Bill, introduced in November 2012, acknowledges that all students are entitled to an excellent education and sets out the goals for Australian schooling.
- 1.6 The Bill targets public funding to student need with a specific focus on support for disadvantaged students, including students with disability, Aboriginal and Torres Strait Islander students, students with limited English language proficiency, students in regional areas and low socio-economic status students.
- 1.7 The details of the National Plan will be decided through consultation and negotiation with all state and territory governments, as well as the non-government sector.

## Schools reform

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2.1 Modelling based on research from the Organisation for Economic Cooperation and Development (OECD) has shown that if Australia maintained its current approach to schooling and education outcomes it could result in a cost to the economy of approximately \$1.5 trillion over 2012 to 2092<sup>1</sup>. The continual strengthening of Australia's education system through ongoing reform will ensure that students are internationally competitive and become effective contributors to the Australian economy in the future.

2.2 Education and training attainment is a key element in ensuring Australia's future economic wellbeing and social inclusion. To date, Australia has participated in four cycles of the *Program for International Student Assessment (PISA)* testing. Whilst Australian students have consistently performed at a significantly higher level than the OECD average, over the past decade, Australia's education performance has fallen internationally. For example:

- a. In 2012 NAPLAN testing, 7.0 per cent of Year 9 students did not meet the minimum standards in Reading. For Aboriginal and Torres Strait Islander students, 30.1 per cent did not meet the minimum standards in Reading<sup>2</sup>.
- b. By 2009, Australian students were significantly outperformed in Reading by Finland, Korea and Canada (Korea and Canada were two countries whose scores were not significantly lower than that of Australia's in PISA 2000), by Hong Kong – China (whose score was significantly lower than that of Australia's in PISA 2003), and by newcomers Shanghai – China and Singapore<sup>3</sup>.

2.3 2009 PISA data shows that there is a stronger relationship in Australia between a student's socio-economic background and their educational outcomes, than in countries that out-performed Australia. For Australia, the gap between the highest and lowest socio-economic quartiles is equivalent to almost three full years of schooling<sup>4</sup>. At the higher socio-economic level, the average score of Australian students is higher than the average score for Shanghai – China, however at the lowest level, the average performance of Australian students is significantly lower than the OECD average.

2.4 There are economic and social imperatives to reforming our schools funding arrangements and lifting school performance; and the case for change was outlined succinctly in the Review report.

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<sup>1</sup> PricewaterhouseCooper (2012), *Improving productivity through education*, pp2

<sup>2</sup> ACER (2012), *2012 NAPLAN National Report*, pp194-5

<sup>3</sup> ACER (2009), *Challenges for Australian Education: Results from PISA 2009*, pp3

<sup>4</sup> *Ibid*, pp13

## The Review of Funding for Schooling

2.5 This independent Review commissioned by the Australian Government in 2010 was the most comprehensive review of Australian schools in approximately 40 years.

2.6 As part of the Terms of Reference, the Review panel was asked to consider issues around supporting better educational outcomes, funding allocation and mechanisms, and financial accountability and transparency.

2.7 The Review report was publicly released in early 2012 and found that Australia's current schooling system was "unnecessarily complex, lacks coherence and transparency"<sup>5</sup>. The report also argued that educational outcomes in Australia should not be determined by a student's background or where they go to school but by their potential.

2.8 To support better student performance outcomes, the Review report also acknowledged that funding alone would not address Australia's schooling challenges and recommended that any new funding arrangements should be accompanied by further schools reform.

2.9 The Review report indicated that student performance needs to lift, particularly for the lowest performers, and that multiple and/or concentrated disadvantage adversely affects student and educational outcomes.

2.10 Currently our approach to funding is not logical, consistent or publicly transparent and needs to be linked to educational outcomes, and public funding should reflect school and student characteristics, regardless of sector.

2.11 The Review report proposed a new funding approach for schooling in Australia, to more equitably and efficiently distribute funding with the emphasis on targeting disadvantage. By lifting the performance of disadvantaged and underperforming students, Australia's education system will become more equitable as more students are supported to achieve higher results and further improve educational performance.

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<sup>5</sup> Gonski, D et al (2011), *Review of Funding for Schooling - Final Report*, pp49

## A National Plan for School Improvement

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3.1 An effective and equitable education system is central to the future of Australia's children and the nation. The Australian Government has already begun implementing a number of national educational reforms to support quality schooling and teaching and greater transparency.

3.2 In response to the Review and the *Australia in the Asian Century White Paper* (publicly released on 28 October 2012), overarching national education objectives were set by the Australian Government to underpin the future reform and are highlighted in the Bill:

- c. For Australian schooling to provide an excellent education for school students.
- d. For Australian schooling to be highly equitable.
- e. For Australia to be ranked, by 2025, as one of the top 5 highest performing countries based on the performance of Australian school students in reading, mathematics and science, and based on the quality and equity of Australian schooling.

3.3 On the 28 November 2012, the Prime Minister introduced into Parliament the *Australian Education Bill 2012*, outlining the Government's plan for the future of Australian education to support quality teaching and learning, to empower school leadership, to increase transparency and accountability, and to meet student needs.

3.4 The Bill details specific legislative measures including:

- a. a clear Commonwealth commitment to support a quality education for all Australian students in all schools
- b. the goal to improve the international ranking of Australian school students and Australian schooling
- c. provision for the development of the new National Plan which will include five core reform directions
- d. the new principles for school funding consisting of base recurrent funding and loadings
- e. a link between school funding and school improvement to ensure there is a direct link between the Commonwealth's investment in schools and the reform agenda to improve education outcomes.

3.5 While the Bill specifies goals and overall principles for schools funding, it is the Government's intention that amendments to the Bill be moved at the conclusion of negotiations with States, Territories and the non-government school sector, which will reflect the agreement reached. This allows the Government to set the broad framework, while continuing to negotiate on the detail of the funding model and associated reform.

3.6 The National Plan will be a comprehensive strategy to improve education outcomes for Australian students and to lift the education performance of Australia as a whole.

Broadly, the core reform themes of the National Plan will support:

- a. Quality teaching
- b. Quality learning
- c. Empowered school leadership
- d. Accountability and transparency
- e. Meeting student need.

3.7 The Bill will also outline further support for disadvantaged students under the National Plan, focussing on:

- a. students with disabilities, Aboriginal and Torres Strait Islander students, students from lower income families and students with limited English skills
- b. extra funding for rural and remote schools, as well as small schools.

3.8 The National Plan will provide extra support for students who need it the most to ensure that every Australian child reaches their full educational potential.