

The Senate

Education, Employment
and Workplace Relations
Legislation Committee

Australian Education Bill 2012 [Provisions]

March 2013

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Mr Tim Hillman, Research Officer

Mr Isaac Overton, Research Officer

Ms Sarah Bainbridge, Administrative Officer

PO Box 6100
Parliament House
Canberra ACT 2600

Ph: 02 6277 3521
Fax: 02 6277 5706
E-mail: eewr.sen@aph.gov.au

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RECOMMENDATIONS

Recommendation 1

2.47 The committee recommends that the bill be passed.

CHAPTER 1

Introduction

Reference

1.1 On 29 November 2012, the Senate referred the Australian Education Bill 2012 to the Education, Employment and Workplace Relations Legislation Committee for inquiry and report by 13 March 2013.¹

Conduct of inquiry

1.2 The committee advertised the inquiry in the *Australian* and called for submissions by 8 February 2013. Details of the inquiry were also made available on the committee's website.

1.3 The committee contacted a number of organisations inviting submissions to the inquiry. Submissions were received from 32 individuals and organisations, as listed in Appendix 1.

1.4 A public hearing was held in Melbourne on 1 April. The witness list for the hearing is at Appendix 2.

Background

1.5 The most comprehensive review of Australian schools in over 40 years, the Gonski Review provided a blueprint for overhauling school education and school funding. It considered issues relating to better educational outcomes, funding allocation and mechanisms, and financial accountability and transparency. Key findings of the review included:

- Australia's educational system is complex, and lacks coherence and transparency;
- educational outcomes should not be determined by a student's background or the location of their school, but by their potential;
- funding alone would not be sufficient to address Australia's schooling needs and should be accompanied by further schools reform;
- current funding arrangements are not logical, consistent or publicly transparent; and
- new funding arrangements should be linked to educational outcomes, equitable and target disadvantaged and underperforming students.

1.6 The bill sets out the expectations and vision for national school reform and the development of a National Plan for School Improvement (the 'national plan'). It provides a legislative framework for school funding and education delivery that will ensure all Australian children have equitable access to high quality education.

1 *Journals of the Senate*, No. 129, 29 November 2012, pp 3480–3481.

According to the Department of Education, Employment and Workplace Relations (DEEWR) submission, the bill details five specific legislative measure including:

- (i) a commitment by the Commonwealth to support quality education for all Australian school students;
- (ii) improving the international ranking of students and Australian schooling;
- (iii) development of a national plan including five core reform programs (see para.1.13 for details);
- (iv) new principles for school funding consisting of base recurrent funding and loadings; and
- (v) linking school funding and school improvement to ensure the Commonwealth's investment in schools results in improved education outcomes.

Purpose of the bill

1.7 The bill is the first step in implementing the government's response to the Gonski Review and the national plan, first outlined by the Prime Minister in a speech to the National Press Club on 3 September 2012.

1.8 The bill represents nothing less than the Government's blue-print for the future of Australian school education. The Government expects the national plan, when fully implemented by 2020, will see an additional \$6.5 billion spent on schools each year by the Commonwealth, states and territories.²

1.9 The DEEWR submission stated that 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.³

1.10 The purpose of the bill, as set out in the Objects (Clause 3), is to enable schools to provide an 'excellent education' for all students; to ensure that Australian schooling is 'highly equitable'; and to place Australian student performance in the top five globally in reading, mathematics and science by 2025. The bill also acknowledges matters referred to in the Preamble, which set out the Government's aspirations for school education. These focus on the quality, equity and excellence of education for all students regardless of their background and personal circumstances or the location of their school, thereby enhancing Australia's economic prosperity during the Asian century.

2 *A National Plan for School Improvement*, Speech to the National Press Club, Canberra, 3 September 2012.

3 Department of Education, Employment and Workplace Relations, *Submission 22*, p. 4.

1.11 Clause 6 commits the Government to work with state and territory governments and non-government education authorities to develop and implement a national plan to improve school performance and the educational outcomes of students, drive improvement in schools and provide opportunities for school students to develop capabilities to engage with Asia.⁴

1.12 Clause 7 of the bill stipulates five reform directions including:

- (i) quality teaching (teachers will have the skills and support they need to deliver a high quality education);
- (ii) quality learning (the educational experience for students will be high-quality, inclusive and responsive to the needs of students);
- (iii) empowered school leadership (recognising the potential for principals and teachers to be leaders at the local level and to drive improvements in their schools);
- (iv) transparency and accountability (including providing better data on schools and students to monitor performance and drive continuous improvement); and
- (v) meeting student needs (recognising different backgrounds, aspirations and circumstances).⁵

1.13 These reform directions, the merit of which is widely acknowledged and supported by research, build on related developments in schools initiated by the Australian and state and territory governments, and through the Council of Australian Governments.⁶ The bill provides an assurance that future Commonwealth funding will reflect a needs-based model and consist of grants to the states and territories.

1.14 The government's intent is that following the conclusion of negotiations with the states, territories and non-government education providers, the bill will be amended to reflect the final agreement reached with all parties. The bill requires a commitment by schools to implementation of the national plan for school improvement as a prerequisite for continued Commonwealth funding. This is set out in Clause 9 of the bill.

4 Explanatory Memorandum, Australian Education Bill 2012, pp 8–9.

5 Explanatory Memorandum, Australian Education Bill 2012, p. 2.

6 Australian Education Bill 2012, Bills Digest No. 73 2012-13, Parliamentary Library, p. 5.

CHAPTER 2

Issues

2.1 Submissions on the whole expressed support for the findings of the Gonski review and the principles underpinning the national plan, as outlined in the Prime Minister's address to the National Press Club in September 2012. In evidence before the Committee, the Australian Education Union (AEU) stated:

The [Gonski] review established beyond any doubt an urgency for funding reform. It established that the current system is broken and failing too many of our children...[I]t showed that the current funding system is contributing to a deepening inequality in the provision of education, but more disturbingly still, a deepening inequality in educational achievement...¹

2.2 All school sectors endorsed the Government's commitment to a high quality, high equity schooling system. The AEU submission noted that the bill provides a long overdue legislative platform for attaining this goal through major reform of current school funding arrangements. The bill's recognition that future funding be based on the real needs of schools and students is '...long overdue and very welcome'.² There also was general agreement that failure to reform the school education system will have ripple effects throughout the national economy for decades to come and potentially compromise Australia's political and economic ties the Asia.

2.3 While the evidence received is generally supportive of the bill, some organisations raised a number of concerns. They offered qualified support for the bill depending on the outcome of negotiations with state and territory governments and education providers, and not until details of the funding model have are finalised. The main concerns raised in evidence address the following issues:

- the definition of terms and coverage of the bill;
- the funding model proposed;
- educational disadvantage and portability;
- the level of consultation with state and territory governments and other education providers; and
- how the national plan interacts with other educational objectives.

2.4 These five areas of concern are addressed in turn.

1 Mr Angelo Gavrielatos, Federal President, Australian Education Union, *Proof Committee Hansard*, 1 March 2013, p. 1.

2 AEU, *Submission 10*, p. 5.

Definitions and coverage

2.5 A number of submissions expressed a degree of concern over definitions and use of key terms in the bill, with 'equitable' and 'excellent' providing two key examples. Other submitters expressed concern over the absence of a definition for 'disability' and the lack of a set of definitions for common educational terms such as 'needs', and 'evidence-based'.³ Still others argued the bill neglects the area of gifted and talented education, including the needs and concerns of gifted students.⁴ Mission Australia argued that lack of clarity over the definition of 'equity' must be rectified given the lack of equity in the allocation of funding for schools, and suggested that the following definition provided in the Gonski review be considered for adoption:

...ensuring that differences in educational outcomes are not the result of differences in wealth, income, power or possessions. Equity in this sense does not mean that all students are the same or will achieve the same outcomes. Rather, it means that all students must have access to an acceptable international standard of education, regardless of where they live or the school they attend.⁵

2.6 The Save our Schools submission stressed that failure to clearly define 'highly equitable' could lead to ambiguity and confusion about education policy goals and outcomes and the direction for school funding:

It is educational outcomes rather than inputs which are the ultimate focus of education policy goals. Inputs to education are a means to an end, namely, the education outcomes expected for all children in modern society. Thus, any definition of equity should have regard to educational outcomes.⁶

2.7 The National Disability Services submission contended that the absence of a definition of disability is a significant omission from the bill because the proposed school funding reforms cannot proceed with it:

NDS is aware that work continues on the development of a nationally consistent approach to identifying school students with disability but is concerned that the forthcoming trial will take three years to complete. Children with disability should not have to wait this long for additional resources to be made available.⁷

2.8 Some submitters maintained that the Preamble to the bill (at a minimum) should explicitly acknowledge the important role of not-for-profit community organisations in supporting improved educational outcomes. It was argued that such organisations currently play a significant role in improving the educational outcomes

3 National Catholic Education Commission, *Submission 23*, p.4.

4 Dr Kate Tree, *Submission 31*; Ms Celine Ogg, *Submission 29*.

5 Mission Australia, *Submission 8*, p. 4.

6 *Save Our Schools, Submission 2*, p. 2. See also Australian Secondary Principals Association Ltd, *Submission 18*, p. 1.

7 National Disability Services, *Submission 16*, p. 3.

of children and young people through 'deep school-community partnerships'.⁸ The Not-For-Profit Community Organisations Alliance submission, for example, argued that not-for-profit community organisations '...are currently engaged in a range of partnerships with schools which are contributing to the wellbeing of hundreds of thousands of children and young people across Australia', and thus should be acknowledged in the bill.⁹

2.9 Other organisations drew attention to the absence of any specific mention in the bill of 'parent engagement', with parents apparently being lumped together with 'broader community' and 'other partners' referred to in the Preamble. The Australian Parents Council submission expressed its disappointment at the lack of acknowledgment of parent engagement, given that the Gonski review identified family and community engagement as one of the five key reform strategies required to achieve greater equity and improved educational outcomes.¹⁰

School funding

2.10 As previously mentioned, evidence to the inquiry overwhelmingly supports the findings of the Gonski review which demonstrated that current arrangements for funding, accountability and transparency of schools are inequitable and not capable of supporting quality outcomes for all students. This is well illustrated by the Smith Family submission which stated:

The current funding arrangements for school are complex, inconsistent and ineffective. There have been historical and piecemeal changes over 40 years which have created multiple funding models for schools and an overall framework that lacks a coherent rational basis. Current arrangements cannot address the long tail of educational disadvantage and they lack sufficiently robust monitoring and accountability mechanisms to drive the necessary improvements.¹¹

2.11 It was widely acknowledged in submissions that the bill does not provide any detail on the new funding model for Australian schools, and that its main purpose is to provide a broad funding framework based on the funding model recommended in the Gonski review. The Independent Schools Council of Australia told the Committee that the level of indexation that is to apply to hundreds of schools currently outside the funding model proposed by the Gonski review is yet to be determined. Indexation reflects education costs which in 2013 were running at approximately eight per cent. The committee was told that indexation would need to be maintained at eight per cent for schools to keep the real value of their money.¹² There is concern that when these

8 The Smith Family, *Submission 14*, p. 10.

9 Not-For-Profit Community Organisations Alliance, *Submission 20*, p. 2.

10 Australian Parents Council Inc, *Submission 24*.

11 The Smith Family, *Submission 14*, pp 6–7.

12 Mr David Robertson, Executive Director, Independent Schools Queensland, *Proof Committee Hansard*, 1 March 2013, p. 11.

schools are brought into the model: '...they are not going to attract the full educational indexation over the coming years in order to bring them into that model'.¹³

2.12 Organisations representing the public school sector submitted that the current national investment in school education is inequitable. Public education caters for the majority of students from disadvantaged backgrounds including those who have special needs, live in transient families and have culturally and linguistically diverse backgrounds. Yet according to the Australian Council of State School Organisations submission, the proportion of total government schools funding which is spent on public schools declined from 77.1 per cent in 20013 to 68.6 per cent in 2009, compared to an OECD average of 85.8 per cent.¹⁴

2.13 While there is general support for the proposition that future funding arrangements be based on the real needs of schools and school students, concern was expressed from some quarters about the lack of detail in the bill and the uncertainty this has created across the entire schools sector. This concern is summarised by the AEU submission:

We are concerned that the Bill does not provide any details on the quantum of funding required for its implementation, the balance between Commonwealth and State/Territory contributions, the formula for determining how it will be allocated or future plans for indexation given that Gonski has recommended abolition of the inequitable AGSRC.¹⁵

2.14 The lack of detail in the bill with regards to specific funding arrangements or the administrative implications for schools is of particular concern to the independent school sector, whose funding arrangements expire at the end of 2013. The Christian Schools Australia submission stressed that lack of certainty around funding is impacting Christian Schools as they seek to make plans for future growth to accommodate an expected growth in need for non-government schools over the next decade.¹⁶

2.15 The Independent Schools Council of Australia submission captured these concerns by stating:

The uncertainty surrounding future funding arrangements for independent schools is making it increasingly difficult for schools to undertake important financial and administrative planning. The parents and potential parents of students in non-government schools are also impacted as the current funding uncertainty means it is difficult for parents to determine their capacity to make a long-term financial/educational commitment for their children's school education.¹⁷

13 Mr Barry Wallett, Deputy Executive Director, Independent Schools Council of Australia, *Proof Committee Hansard*, 1 March 2013, p. 10.

14 ACSSO, *Submission 17*, p. 2.

15 AEU, *Submission 10*, p. 13

16 Christian Schools Australia, *Submission 3*, p. 3

17 Independent Schools Council of Australia, *Submission 5*, p. 8

2.16 Organisations representing families who live in rural and remote Australia expressed concern about the lack of equity experienced by distance education students and families and the new funding model to be used for rural schools.¹⁸ One submitter argued:

...it is extremely important to the future of rural and remote communities that the funding models for rural schools and boarding schools are structured and quantified so as to allow rural and remote students to achieve their potential in learning. In order to do so, funding will need to be sufficiently targeted so as not just to maintain the status quo, but to actively reduce the currently entrenched disparity in educational outcomes...¹⁹

2.17 Other organisations, while fully supporting the structure and vision set out in the bill, argued that the bill should be delayed until the funding arrangements and other reform measures have been discussed, negotiated and agreed with the relevant parties.²⁰ In a similar vein, Christian Schools Australia Ltd argued that if funding details were not available by the end of March 2013, the Government should introduce into the Parliament legislation that would extend the current funding arrangements for a further 12 months: '...because, quite frankly, at the end of this year the money simply runs out, and I am sure no-one...wants to see schools unable to pay the wages in January 2014'.²¹ The National Catholic Education Commission likewise submitted: 'The Bill in its current form lacks the necessary substance, and the appropriate language, to do justice to the Government's policy intent'.²²

Educational disadvantage and portability

2.18 One aspect of the bill that received favourable comment in submissions is the provision of additional recurrent funding in circumstances of educational disadvantage, which includes having a disability, being an Aboriginal person or a Torres Strait Islander, having a low socio-economic status, not being proficient in English and the size and location of a student's school. The relationship between inequality and educational disadvantage was highlighted in evidence from the AEU:

What we have seen is a deepening inequality...over the last 15 years such that we now have one of the most segregated schooling systems in the world...As a result of that, we have incredible concentrations of disadvantage in our schools. What we see now is an over-representation of disadvantage in government schools and an under-representation of disadvantage in non-government schools...²³

18 Isolated Children's Parents' Association of Australia (Inc), *Submission 7*, p. 2.

19 Isolated Children's Parents' Association of NSW Inc, *Submission 28*, p. 2.

20 Independent Education Union of Australia, *Submission 11*, p. 4.

21 Mr Stephen O'Doherty, Chief Executive Office, Christian Schools Australia Ltd, *Proof Committee Hansard*, 1 March 2013, p. 25.

22 National Catholic Education Commission, *Submission 23*, p.6.

23 Mr Angelo Gavrielatos, Federal President, Australian Education Union, *Proof Committee Hansard*, 1 March 2013, p. 8.

2.19 Organisations representing children and young people with disabilities commended the government for highlighting disability in the new funding framework. The committee was told by one disability organisation that discrimination and exclusion is a regular part of the educational experience of students with disability, who also face an entrenched culture of low expectations in Australian education. Students with disability are frequently forced to attend school part-time, deprived of normal school experiences and suspended or expelled in high numbers. The result is comparatively poor educational outcomes for students with disability.²⁴

2.20 The bill was also viewed as an important companion piece of legislation to other reform proposals to improve opportunities for people with disability (including the National Disability Insurance Scheme and the National Disability Strategy). According to the Children with Disability Australia submission:

The Bill provides a vital opportunity to articulate the attitude and cultural change which is critical to ensuring the recognition of educational rights of students with disability. It also provides a formal means to a society in which students with disability are valued members of a school community rather than just an additional cost or modification.²⁵

2.21 One issue raised in evidence to the inquiry was the provision of portable funding, or vouchers, for students with disability. Opinions were sharply divided on the issue. Organisations representing Christian schools provided strongly worded support for portable funding:

...portable funding for students with disabilities needs to be the No. 1 issue for Australian governments to tackle this year for 2014. It has been far too long that those students have been disadvantaged compared to their brothers and sisters in not being able to have a choice of a school...We would put [portability] above anything else we have said today as our No. 1 request of government around the country.²⁶

2.22 Other organisations, including the AEU and disability groups, raised serious concerns about the effect of portability and its value for money in the education system. It was argued that problems within the education system as they relate to students with disability cannot be solved by attaching money to an individual in the form of a voucher. Australian Federation of Disability Organisations gave a clear example to illustrate the weaknesses of portable funding:

...how would a voucher help a kid and his family who need a lift installed to go to a second floor of a school building? How would a voucher help somebody with the modification of the school curriculum to make it more

24 Ms Stephanie Gotlib, Executive Officer, Children with Disability Australia, *Proof Committee Hansard*, 1 March 2013, p. 33.

25 Children with Disability Australia, *Submission 19*, p. 4.

26 Mr Stephen Doherty, Chief Executive Officer, Christians Schools Australia Ltd, *Proof Committee Hansard*, 1 March 2013, p. 25.

accessible for that student and other students around their learning and learning outcomes.²⁷

2.23 The committee was told there is no guarantee that a student with disability who possesses a voucher will have access to a school of their choice. Families are regularly rejected by schools in the private, independent and religious sectors. It was also suggested that the voucher system does not give parents any more negotiating ability:

It does not matter whether you bring \$20,000 or \$30,000 with you if the school does not have the capacity or the desire to have those kids there. They may have the issue where other parents do not want their kids' education to be compromised because of the stigma of having a child with disability in the class.²⁸

2.24 It was suggested that some schools, including mainstream and special schools, have such low expectations of students with disability that parents who seek extra literacy support for their child, for example, will often be told: 'Why do you want your child to read? What is the point?-because they have a disability'.²⁹

2.25 On the issue of portability, the committee was reassured by the Department of Education, Employment and Workplace Relations (DEEWR) that a student with a disability should attract the same loading regardless of which school they attend, government or non-government: 'That consistent philosophy is something that is important in terms of the work that we are doing in government at the moment'.³⁰ However, the department conceded that the issue was complex and a number of issues had not yet been resolved, especially regarding the amount of loading. While the new school funding model is based on available data, there is no nationally consistent dataset for students with disability. On a positive note, the committee was told that state ministers have agreed to national definitions of adjustment in relation to students with disability:

We have trialled those definitions twice and we are actually undertaking the first part of the national data collection this year. Therefore, it is unlikely that we will be able to use that full dataset for the total model. There are arrangements that we have put in place that we will be discussing or have been discussing with jurisdictions about still having a temporary loading for students with a disability.³¹

27 Mr Stephen Gianni, National Policy Officer, Australian Federation of Disability Organisations, *Proof Committee Hansard*, 1 March 2013, p. 34.

28 Mr Alan Blackwood, Policy Officer, Children with Disability Australia, *Proof Committee Hansard*, 1 March 2013, p. 33.

29 Mr Alan Blackwood, Policy Officer, Children with Disability Australia, *Proof Committee Hansard*, 1 March 2013, p. 38.

30 Mr Tony Cook, Assistant Secretary, Department of Education, Employment and Workplace Relations, *Proof Committee Hansard*, 1 March 2013, p. 49.

31 Mr Tony Cook, Assistant Secretary, Department of Education, Employment and Workplace Relations, *Proof Committee Hansard*, 1 March 2013, p. 49.

2.26 Submissions from disability organisations focused on two additional funding-related issues as they affect students with disability. First, existing disability support programs and funding eligibility criteria are designed to supplement the normal operations and practices of schools, not to deliver improved outcomes and value for money. Part of the problem is that many students with a need for funded educational support cannot access it due to strict diagnostic criteria governing access to funding. There are also limitations to the Disability Standards for Education (DSE), which provide the current default position for schools working with students with disability. While the DSE are recognised as extremely important, one submitter observed that they need to be seen for what they: 'a marker of actionable discrimination. The DSE are not a guide as to how to provide quality inclusive education'³²

2.27 The Children with Disability Australia submission stated:

A student-by-student approach has been taken rather than a systemic approach, and so the capacity of schools to routinely deliver effective programs for students with disability has not increased. Across the country, the ability of schools to deliver inclusive education is very patchy, and driven largely by attitudes and experience of school teachers.³³

2.28 The second issue relates to the relationship between the proposed funding system, which places students with disability in a category of disadvantage, and the systemic or structural deficiencies with the funding system currently in place for students with disability. The National Disability Strategy Implementation Reference Group submission argued that the systemic improvements to education required by students with disability should be at the centre of education reform:

To achieve the key goals of the education reform the funding system must address the systemic barriers for students with disability that are entrenched across education systems...and not rely solely on loadings to address the equity and excellence issues. Funding reform requires addressing the key barriers at a systems level in addition to the individual student level. There needs to be investment in improving school capacity and infrastructure as well as resourcing individual students in order for students with disability to be fully included.³⁴

2.29 Some organisations expressed the view that the national plan does not adequately address the needs of schools with a high concentration of students from disadvantaged backgrounds. According to the Australian Federation of Graduate Women submission:

Poverty, which is often combined with a lack of fluency in English, impedes young people's educational achievements and undermines attempts to improve productivity through education. As a matter of urgency, these schools need funding for professional support staff including nurses,

32 Children with Disability Australia, *Submission 19*, p. 7.

33 Children with Disability Australia, *Submission 19*, p. 4.

34 National Disability Strategy Implementation Reference Group, *Submission 32*, p. 8.

accredited counsellors, social workers and community liaison staff who can assist students and their families.³⁵

Consultation with education partners

2.30 The Independent Schools Council of Australia is concerned that despite the Government's timeline imperatives, there is little evidence of any substantive progress in negotiations with state and territory governments to flesh out the more complex and critical aspects of the Gonski review. It submitted that the school communities of the 1100 independent schools have ongoing concerns with the apparent lack of progress and continuing uncertainty, '...particularly as the Review is now entering its fourth year without any tangible outcomes in sight'.³⁶ These concerns were echoed by a South Australian and Queensland member organisations which expressed concern that the absence of detail on funding and the lack of transparency regarding consultation is undermining the independent school sector's confidence in the reform process and creating a high degree of cynicism across school communities. Their submissions argued that all school communities should have had an opportunity to comment on proposed changes and receive details on the following areas before the bill was introduced in the Parliament:

- the level of prescription in the National Plan and its requirements;
- the level of funding to be received by each school, indexing arrangements and mechanisms for distribution (including arrangements for direct funding);
- the timing of payments to schools;
- additional programs to support students with special needs;
- funding for capital works programs;
- indexation and transition arrangements for schools; and
- compliance and accountability requirements.³⁷

2.31 The Christian Schools Australia submission urged the Government to extend the existing consultative arrangements to encompass a more representative range of stakeholder groups, including Christian schools.³⁸ This view is supported by the Australian Association of Christian Schools submission which argued that any final decisions regarding funding agreements between the Government and schools must be the subject of wide and inclusive consultations with all peak bodies in the non-government sector.³⁹ It went further in suggesting that consultations have been

35 Australian Federation of Graduate Women Inc, *Submission 4*, p. 2.

36 Independent Schools Council of Australia, *Submission 5*, p. 10.

37 Association of Independent Schools of SA, *Submission 27*, p. 2; Independent Schools Queensland, *Submission 9*, p. 4.

38 Christian Schools Australia, *Submission 3*, p. 3.

39 Australian Association of Christian Schools, *Submission 13*, pp 3–4.

restricted to the National Catholic Education Commission and the Independent Schools Council of Australia which have been required to enter into confidentiality agreements:

We simply do not know what the Government is considering by way of detail. We simply don't know whether the arrangements will be fair and equitable. We simply don't know what conditions may be attached to Funding Agreements.⁴⁰

2.32 Other disability organisations, such as South Australian based Novita Children's Services, submitted that for the Government to determine appropriate funding loadings for categories of school children with special needs, consultation should extend beyond the education sector to include the collective knowledge of leading children's disability service providers.⁴¹

2.33 The Foundation for Young Australian submission focused on the role of students in education policy, arguing that students are key stakeholders of the education system. This stems from the Foundation's belief that young people have the potential to positively influence education outcomes for themselves, their schools, their communities and the system:

Student consultation is fundamental to the development of effective education policy and improving learning outcomes. Not only do students have unique perspectives as the producers of education outcomes, but their involvement also increases the chance of policy buy-in.⁴²

2.34 The submission drew attention to the fact that students continue to be an untapped resource in educational policy. This partially explains why their perspectives on education are often at odds with the goals and reform levers identified in the bill. It recommended that students should no longer be treated as passive recipients of reform, but embraced as genuine partners in educational improvement and consulted in the implementation of the national plan.⁴³

Interaction with other education goals

2.35 A number of submissions expressed concern that the bill does not mention the agreements, commitments and understanding captured in the Melbourne Declaration on Educational Goals for Young Australians which was signed by the Australian Ministerial Council on Education, Employment, Training and Youth Affairs in 2008. The declaration identified two main goals for the period 2008-18: Australian schooling promotes equity and excellence; and all young Australians become successful learners, confident and creative individuals and active and informed citizens.⁴⁴ It was argued that the Declaration should be directly referenced in the bill

40 Australian Association of Christian Schools, *Submission 13*, p. 6.

41 Novita Children's Services, *Submission 15*, p. 2.

42 The Foundation for Young Australians, *Submission 26*, p. 20.

43 The Foundation for Young Australians, *Submission 26*, p. 4.

44 Christian Schools Australia Ltd, *Submission 3*, p. 5.

because it enjoys wide political and community support and would ensure greater public confidence in the bill.⁴⁵ The Smith Family submission went further and argued that in addition to the Melbourne Declaration, the Preamble should reflect a more comprehensive view of the purpose of school education drawing on Article 29 of the United Nations Convention on the Rights of the Child to which Australia is a signatory.⁴⁶

2.36 Mission Australia submitted that the bill's definition of school should extend to a broader range of education providers which fall under the general heading of 'alternative education', including second chance education, re-engagement programs, flexi schools or flexible learning options, community based programs and non-traditional or unconventional programs:

It is estimated that there are up to 33,000 young people currently enrolled in over 400 programs in 1200 locations across Australia. A further 4,100 young people are on waiting lists. Alternative education is important for young people who may otherwise fall through the gaps in a mainstream education setting.⁴⁷

2.37 The Save Our Schools submission expressed concerns that one of the reform directions included in the bill, empowered school leadership, would undermine collaboration between schools and the spread of best practice in teaching and learning. Drawing upon analyses of school autonomy in New Zealand and Great Britain, the submission concluded that greater school autonomy and school self-management, together with the move towards publication of school results and school league tables, 'encourages schools to see themselves as isolated silos rather than as part of a system working together to achieve particular education goals'.⁴⁸

Committee view

2.38 The committee welcomes the broad in-principle support for the legislative framework established by the bill, reflected in submissions representing the government and independent school sectors. It also welcomes the support for the Government's proposal to link school funding with implementation of a new national plan.

2.39 The committee reinforces the Government's commitment to improving student achievement by targeting resources to where they are most needed, for example schools with disadvantaged students with particular educational needs. The committee acknowledges the qualified support offered by some organisations on the grounds that many details regarding implementation of the new school funding model, and monitoring and accountability mechanisms, are yet to be finalised.⁴⁹

45 National Catholic Education Commission, *Submission 23*, p. 2.

46 The Smith Family, *Submission 14*, p. 9.

47 Mission Australia, *Submission 8*, p. 2.

48 Save Our Schools, *Submission 2*, p. 5.

49 For example, see Christian Schools Australia Ltd, *Submission 3*.

2.40 The committee, however, reiterates the fundamental point that the main purpose of the Gonksi review was to devise a new funding model for a needs-based system; it was not meant to address educational policy development more broadly, which state and territory education authorities are actively engaged in.

2.41 The committee is of the view that concerns raised in evidence from the independent school sector about the risk of receiving less overall funding and the level of anxiety this allegedly has created, while genuinely held, were overstated and contradicted by evidence from DEEWR and other education providers. The committee is confident that when the new funding model is finalised, with all the variations in levels of growth taken into account, no school will receive less money in 2014 than they did in 2013. In fact, it is more than likely that every school will receive increased funding on a year by year basis.⁵⁰

2.42 Concerns about the level of indexation for independent schools also have to be assessed in light of the significant cuts to education budgets undertaken by the New South Wales, Victorian and Queensland state government and the effect this will have on indexation over coming years. The committee accepts the concerns of some organisations that state governments are playing politics with school education by slashing their education budgets while publicly calling for an increase in school funding.

2.43 On the issue of portability or portable vouchers, the committee is concerned by some of the evidence it received from national disability organisations. The committee accepts that there are strong arguments on both sides of the debate regarding portable vouchers, but it was surprised to hear about the attitude of some schools towards students with disability and their families, which probably reflects an underlying systemic bias. The committee has formally requested that DEEWR provide it with a considered response to the concerns raised in evidence by national disability organisations.

2.44 The committee is strongly of the view that the bill represents a once-in-a-generation opportunity to improve the performance of schools and student outcomes. Delays will have a detrimental effect not only across the school sector, but on productivity levels and Australia's long-term economic performance. The committee agrees with the Australian Council of State School Organisations which stated:

...research has clearly shown that a higher level of education means higher earnings, better health and a longer life. By default...the social and financial ramifications of educational failure for Australia will be enormous. Those without the skills to participate socially and economically will generate higher costs in areas such as health, income support, child welfare, social security and the penal system.⁵¹

50 Mr Tony Cook, Assistant Secretary, Department of Education, Employment and Workplace Relations, *Proof Committee Hansard*, 1 March 2013, p. 54.

51 Mr Peter Garrigan, President, Australian Council of State School Organisations, *Proof Committee Hansard*, 1 March 2013, p. 19.

2.45 The committee shares the concerns of organisations that failure to pass the bill, or attempts to delay its passage through the Parliament, could see schools losing up to an estimated \$5.4 billion in funding over the next five years if there is no change in the way schools are funded.⁵²

2.46 The committee rejects outright the continued opposition to the Gonski review by the Coalition and, recently, the Victoria and Queensland state governments who are publicly threatening to walk away from this fundamental reform for blatant political reasons. The committee reiterates the importance of all states and territories coming on board to support the Government's proposed national plan.

Recommendation 1

2.47 The committee recommends that the bill be passed.

Senator Gavin Marshall
Chair, Legislation

52 AEU, *Submission 10*, pp 10–11.

COALITION SENATORS' DISSENTING REPORT

1.1 Coalition senators reject outright the implication in the majority report that the Coalition does not fully support public schooling or State school systems. Coalition senators recognise and support the key role that public education systems make in ensuring all young Australians are provided with high quality, relevant and meaningful education. It is a birth right and a vital investment in people and the future prosperity of our nation. Coalition senators regret that the government did not see fit to ensure enough time to fully inquire into the detail of the bill and the many issues that stakeholders raised both within the context of the inquiry and in other forums.

Lack of detail

1.2 The bill exhibits a glaring lack of detail, stating broad objectives without making clear how these will be achieved. While the inclusive nature of the Preamble and Objects is attractive, and the Coalition does not disagree with the principles it espouses, the lack of practicality of the bill as a whole renders it largely meaningless, a frustration echoed by many stakeholders. A fact recognised in the bill, as it is not legally enforceable.

1.3 For submitters, the main area of concern centred on the ambiguity in funding arrangements. Their concern went beyond questioning the adequacy of the \$6.5 billion per annum suggested to implement the changed funding model, to questions regarding the proportion to be contributed by State governments, indexation, capital funding arrangements, loading metrics, definitions and proportions under the proposed 'as yet to be agreed' arrangements. It seems to Coalition senators that, notwithstanding the Government's obsession with education funding models it still has not been able to deliver any worthwhile proposal. As the Independent Schools Council of Australia submitted:

The information provided in the Bill regarding both funding and plans for school improvement lacks detail and this lack of detail creates further uncertainties for individual independent schools.¹

1.4 Christian Schools Australia summed it up when they submitted that:

The complex nature of the task being undertaken is understood and appreciated. Nevertheless the lack of detail in relation to the future funding of non-government schools is disappointing and frustrating. In less than a year non-government schools would be expecting to receive their first tranche of 2014 funding. At this time there is no legislation in place nor tabled that would allow that payment to occur. There is no way for schools

1 Independent Schools Council of Australia, *Submission 5*, p. 10.

to estimate what that payment might be and consequently plan for staffing or school development for 2014 or beyond.²

1.5 Whilst Coalition senators welcome the government's guarantee that no school will be worse off under the new funding model, there are real concerns given the number of variables being considered in any of the 16 models under consideration. Our concern is that the one size fits all model can mask the local impact. On this point, Mr Stephen Elder had this to say:

...the modelling work undertaken by the Catholic sector (based on a modelling tool provided by the government), provides sixteen different scenarios that show that nationally, Catholic funding will either not change, or may increase by up to 10 per cent. This hides large losses in individual schools and across separate dioceses across the country.³

1.6 Coalition senators recognise the crucial need for schools to secure funding for 2014. The new funding model needs to fulfil community and stakeholder expectations in a now tight timeframe, which has resulted in the need for 'intense negotiations' between the Government, states and territories and non-government school sectors.⁴ We note Mr Stephen Elder's comment that:

Ultimately, losses faced by the Catholic sector may be a moot point...the bill has been drafted in such a way that if the state governments and non-government systems do not agree to the Australian Government's funding methodology, they will not receive any additional potential funding.⁵

Indexation

1.7 Coalition senators agree with the numerous submitters who consider that the Prime Minister's assurance that no school would lose a dollar under the new funding arrangements leaves too much ambiguity for comfort. Indexation, and the method of its application, remains the government's elephant in the room. It was made clear to the committee from the Department's evidence that the Government has not yet decided what method of indexation will be used, and that there were 'a whole range' of options on the table.⁶ Mr Barry Wallett, from the Independent Schools Council of Australia, summarised the concerns of many submitters when he gave evidence that:

...the modelling shows there are a number of schools—and that is several hundred schools—that are still outside of the model; that is, their current funding levels are higher than what they would be entitled to under the full implementation of the Gonski model. We know that the Prime Minister has said that no school will lose a dollar, and if they are resourced to a certain level in 2013, they will receive that money in 2014. Plus, this will include a level of indexation that is yet to be determined. If the school is funded

2 Christian Schools Australia, *Submission 3*, p. 2.

3 Mr Stephen Elder, *answers to questions on notice*, received 13 March 2013, p. 2.

4 The Hon. Peter Garrett, *Lateline*, ABC television, 25 February 2013.

5 M Stephen Elder, *answers to questions on notice*, received 13 March 2013, p. 3.

6 Mr Tony Cook, *Proof Committee Hansard*, 1 March 2013, p. 50.

above on the model, they are funded below what they get in 2013. Then at some stage they have to be brought into the model and how that happens is what concerns us. In other words, they are not going to attract the full educational indexation over the coming years in order to bring them into that model. We do not know as yet the details of the transitional arrangements for those schools.⁷

1.8 Similarly, representatives from the Catholic system were keen to remind the committee that indexation must keep pace with the change in the real cost of education in government schools.⁸ Even before indexation is applied, Coalition senators note with concern Mr Stephen Elder's response to a question on notice that:

Critically, the results show that the Australian Government's proposed funding model which is supposed to address equity, results in 25 per cent of low-SES Catholic schools losing funding.⁹

Loadings

1.9 The lack of funding detail is also particularly worrying in relation to loadings, which are a central plank of the Gonski model, and are designed to account for variable disadvantage. The Coalition senators support a funding model for education that targets public money on areas of need and welcomes the loadings outlined in the bill. However, given the variability of loadings, the lack of agreement as yet on metrics and the issues surrounding their application there remains concerns. The Independent Schools Council of Australia expressed the following misgivings:

In principle, the independent sector supports the provision of base recurrent funding to each independent school. However, critical to the effectiveness of this base recurrent funding will be that the base funding is set at an appropriate level. If the level is set too low, schools will need to rely on loadings to maintain their level of government funding. Utilising loadings to maintain current funding levels is not appropriate. The quantum of loadings funding is reliant on a school's point in time enrolment profile and which means they are a highly variable funding source. Such an outcome would result in potentially dramatic, unpredictable and long-term changes in funding arrangements for individual independent schools. This would not provide the necessary funding certainty for the operation of independent schools.¹⁰

1.10 Two areas of additional concern are around the loadings for students with a disability and school location. Stakeholders are clearly concerned that the bill does not deliver in a meaningful way and it is disappointing that students with a disability will have be covered by a 'temporary loading'¹¹ until definition work is completed. The Australian Federation of Disability Organisations submitted that its recommendations

7 *Proof Committee Hansard*, 1 March 2013, p. 11.

8 Mr Stephen Elder, *answers to questions on notice*, received 13 March 2013, p. 1.

9 Mr Stephen Elder, *answers to questions on notice*, received 13 March 2013, p. 3.

10 Independent Schools Council of Australia, *Submission 5*, pp 22–23.

11 Mr Tony Cook, *Proof Committee Hansard*, 1 March, 2013, p. 49.

should be implemented to make the legislation 'real' for students with disabilities.¹² Children with Disability Australia submitted that:

To achieve the level and type of provision required by the standards, and indeed those required by students and parents, consistent and sufficient funding must be part of the core amount provided to schools. Capacity to do this must be built into the funding model. This must be considered in the current negotiations to ensure that this core funding enables all schools to meet the [Disability Standards for Education] requirements. Much of what is required to do this must be part of every school's routine practice, not bolted on with a loading in the event of a student with disability enrolling at a particular school.¹³

1.11 In relation to the role of loadings in addressing geographical disadvantage, Isolated Children's Parents' Association of NSW was disconcerted by the lack of commitment in the bill to set funding based on what was required to close the gap in outcomes between schools in different geographic locations:

...the gap in educational achievement is evidence that the current funding is insufficient to compensate for the concentration of disadvantage in some remote schools, and therefore should not serve as a basis for future funding. If loadings are set on the current additional operational costs of operating a school in remote and very remote areas, then that new funding model may serve to entrench rather than improve the current disparity in outcomes. There should be additional funding beyond an estimate of current costs added to the loading to achieve the goal of increasing equity in our school system when it comes to location of the school, rather than just maintaining the status quo, so as to provide resources for teachers and administrators to provide equitable opportunities and close the gap in outcomes.¹⁴

1.12 Coalition senators are also sceptical of the Government's ability to accurately define rural and regional areas, given its lamentable track record of drawing seemingly arbitrary lines on a map, in the context of funding provision for the Youth Allowance and rural health programs. Close to a million young Australians attended regional schools in 2011, over 680,000 of them in their respective State government public system.¹⁵ It is imperative that those students facing challenges stemming from their geography be identified and their special circumstances addressed.

Timing

1.13 It seems to Coalition senators that the Government, and specifically Minister Garrett, has little or no idea about how schools operate in practice. Planning for staffing and capital expenditure necessarily happens well in advance, and the lack of

12 Australian Federation of Disability Organisations, *Submission 6*, p. 6.

13 Children with Disability Australia, *Submission 19*, p. 6.

14 Isolated Children's Parents' Association NSW, *Submission 28*, p. 3.

15 Rural and Regional School Statistics, *Client Memorandum*, Parliamentary Library, 4 March 2013, p. 1, citing unpublished DEEWR data.

firm foundations as little as nine months out from a new funding period is highly disruptive, particularly for Catholic and Independent schools.

1.14 From evidence it is clear that negotiations still have a way to go.¹⁶ This was an urgent concern of many submitters, and was summarised by Christian Schools Australia in their submission:

There is some way to go before this is settled yet the time to achieve the necessary agreement and secure the required funding commitments is short. The Government needs to urgently release far more detail in relation to school funding to allow consideration and consultation. Modelling of the impact on individual schools and school communities is critical at the impact at the individual school level is the most important aspect of any funding proposal.¹⁷

1.15 However, this is at odds with statements by Minister Garrett, who was reported as telling the ABC as late as 26 February 2013 that 'all that needs to happen now is for us to effectively plug in the final set of numbers'.¹⁸ Similarly, Mr Garrett told *Lateline* on 25 February 2013 that the Government was 'waiting to settle some final data from 2011 figures that will mean we have an absolutely completed model'.

1.16 The fact that progress has been so delayed is remarkable considering the Gonski report's release in December 2011, not to mention Labor's promise of a new school funding model as early as 2007, nearly 5 years ago.

1.17 Another clue that the Government is disconnected from the reality of how schools operate is given by the bill's lack of specificity on non-government education authorities. The Independent Schools Council of Australia had this to say:

For independent schools the distinction between non-government education authorities and non-government schools needs to be made clear. For example, in sections 6 and 8, the Bill refers to negotiating with non-government education authorities (presumably not every independent school but rather their representatives). In other places, for example section 9, the Bill refers to non-government education authorities reaching agreement with the Commonwealth on implementation of the national plan in return for Commonwealth funding. In this context, non-government education authorities must refer to individual independent schools, as it is the individual school in the independent sector that will make the agreement with the Commonwealth Government to implementation of the national plan, not their sector representatives.¹⁹

1.18 Coalition senators are mindful of the evidence from the Independent Schools Council of Australia that, unlike other sectors in Australian education, the majority of independent schools operate autonomously. Independent schools do not rely on

16 Mr Tony Cook, *Proof Committee Hansard*, 1 March 2013, pp 50–54.

17 Christian Schools Australia, *Submission 3*, p. 9.

18 RN Breakfast with Fran Kelly, 26 February 2013.

19 Independent Schools Council of Australia, *Submission 5*, p. 13.

central bureaucracies or bodies, and are separately accountable to their parent and school communities; while Catholic schools operate as part of a centrally coordinated Catholic school system, the bill fails to acknowledge and account for these variations in school organisation. Whether Catholic or Independent, individual schools operate in an environment of choice and diversity, recognised and supported by their respective parent bodies and all levels of government. The incentives that operate in this environment impose an imperative on independent schools to constantly strive to ensure they provide a high quality educational experience for their students.²⁰ This, Coalition senators consider, is as it should be.

Additional cost to schools

1.19 A number of submissions expressed serious concerns about the cost of additional data collection which will seemingly be required. The committee heard from the National Catholic Education Commission of their concern that '...the bill as it stands is a model for school reform through increased regulation rather than increased funding.'²¹ Data collection is already a serious impost on schools, particularly in the independent sector which has no 'head office' to coordinate and collate information input:

While governments and their agencies pursue more comprehensive and fine-grained data collections, the cost burden of collection, collation and submission rests with the individual school and the school community. While the benefit of additional data is accrued by governments and researchers, the cost of this benefit is shifted to the parents of students in independent schools...Future data collections will necessitate complex information technology solutions, the costs of which will not be able to be met by a large number of low fee, low SES schools in the sector.²²

1.20 Coalition senators were alarmed to hear from representatives of the Catholic system that:

Under the Gonski proposals, the minimum fee for recurrent purposes expected under the Student Resource Standard (SRS) is about 10 per cent for low-SES schools. For high-SES schools this expectation reaches 80 per cent. The Gonski report suggested that the SRS for primary schools was \$8000...According to the Catholic sector's modelling, around half of the Catholic schools would have to raise fees to meet both the Australian Government's capacity to pay fee expectations, and any shortfalls in funding, due to changes in the funding process. These fees may need to rise in excess of 200-300 per cent in many Victorian Catholic primary schools if the model is applied directly.²³

20 Independent Schools Council of Australia, *Submission 5*, p. 15.

21 Mrs Therese Temby, *Proof Committee Hansard*, 1 March 2013, p. 41.

22 Independent Schools Council of Australia, *Submission 5*, p. 18.

23 Mr Stephen Elder, *answers to questions on notice*, received 13 March 2013, p. 2.

1.21 This augers badly for maintaining fees at an affordable level for families seeking to exercise choice in the education of their children at non-government schools.

Citizenship entitlement

1.22 Finally, many stakeholders such as Christian Schools Australia, the Independent Schools Council of Australia, the National Catholic Education Commission and others have indicated the bill should be amended to recognise that every child should be entitled to at least a basic grant which the Prime Minister referred to in her 3 September 2012 speech as a 'citizenship entitlement'. Coalition senators agree that the bill should establish the nation's support for a child's education as one of the entitlements of citizenship.

Conclusion

1.23 It is a pity that cheap political points are being scored by government senators, in reaction to State government attempts to address educational reform within their own jurisdiction, particularly when negotiations on the funding model have been protracted and acrimonious. Coalition senators highlight that these concerns are not isolated to Coalition State governments, and note the ALP government in Tasmania has also outlined its concerns about increases of Commonwealth interference in State School funding matters.

1.24 The aspirations of an effective and efficient education offering to Australian families that is 'system blind', where parental choice is acknowledged, disadvantaged students are funded appropriately and principal autonomy is encouraged is one Coalition senators fully endorse.

1.25 Coalition senators are all too aware of the importance of meaningful and effective reform to the Australian education system. We are at risk of failing the educational needs of our future generations. However, we question the usefulness of the bill in achieving meaningful and effective change as so much of the detail required is not available for consideration.

1.26 While the Coalition does not oppose the bill in its current form, it notes the Government's intention to substantially amend it following the next Council of Australian Governments meeting in April, and in particular to include the new funding model. Coalition senators note the obvious need for the bill to be reconsidered once this detail is known, and its financial and educative impact can be properly assessed.

Recommendation

Coalition senators recommend that the Objects of the bill should be amended to read:

- (a) families must have the right to choose a school that meets their needs, values and beliefs;**
- (b) all children must have the opportunity to secure a quality education;**

- (c) student funding needs to be based on fair, objective, and transparent criteria distributed according to socio-economic need;**
- (d) students with similar needs must be treated comparably throughout the course of their schooling;**
- (e) as many decisions as possible should be made locally by parents, communities, principals, teachers, schools and school systems;**
- (f) schools, school sectors and school systems must be accountable to their community, families and students;**
- (g) every Australian student must be entitled to a basic grant from the Commonwealth Government;**
- (h) schools and parents must have a high degree of certainty about school funding so they can effectively plan for the future;**
- (i) parents who wish to make a private contribution toward the cost of their child's education should not be penalised, nor should schools in their efforts to fundraise and encourage private investment; and**
- (j) funding arrangements must be simple so schools are able to direct funding toward education outcomes, minimise administration costs and increase productivity and quality;**

Recommendation

Coalition senators recommend that definitions in the bill be amended to recognise and account for the administrative differences between systemic and non-systemic schools.

Recommendation

Coalition senators recommend that the bill be amended to provide that current funding arrangements be extended for a further two years, to guarantee funding certainty for schools and parents, in the event that no agreement is reached at the Council of Australian Governments meeting in April 2013.

**Senator Chris Back
Deputy Chair**

Senator Bridget McKenzie

AUSTRALIAN GREENS ADDITIONAL COMMENTS

1.1 The Gonski Review of Funding for Schooling ('the Gonski Review') is a watershed document which represents the most comprehensive review of Australian schools in two generations.¹

1.2 The Australian Education Bill 2012 forms part of the Government's response to the Gonski Review. Largely aspirational, the Bill is very light on detail, and is specifically stated to create no legally enforceable obligations. While largely supporting the aspirations contained in the Bill and expressed in the preamble, the Australian Greens consider they are meaningless without a firm, detailed agreement with the States and Territories for increased school funding.

1.3 The Australian Greens believe that the recommendations arising from the Gonski Review represent the best opportunity in decades to fix our school system to ensure that every Australian child can obtain a high quality education, irrespective of their background or where they live, and thus have the opportunity to achieve their full potential.

1.4 The Gonski Review squarely sets out the benefits of a high quality schooling system for a nation:

High-quality schooling fosters the development of creative, informed and resilient citizens who are able to participate fully in a dynamic and globalised world. It also leads to many benefits for individuals and society, including higher levels of employment and earnings, and better health, longevity, tolerance and social cohesion.²

1.5 However, marshalling extensive evidence from Australia and overseas, the Gonski Review clearly identifies the areas in which Australia's schooling regime is failing, highlighting our declining levels of achievement internationally, particularly in reading and scientific literacy and mathematical literacy, and the pronounced inequity which is a characteristic of our system.

1.6 Famously, in relation to the latter feature, the Gonski panel defined equity in schooling as 'ensuring that differences in educational outcomes are not the result of differences in wealth, income, power or possessions'.³ Shamefully, Australia performs poorly when it comes to measures of equity, meaning that the link between student

1 Review Panel (Chaired by David Gonski), *Review of Funding for Schooling*, Final Report, December 2011, <http://www.betterschools.gov.au/review> (accessed 12 March 2013).

2 Review Panel (Chaired by David Gonski), *Review of Funding for Schooling*, Final Report, December 2011, p. xiii.

3 Review Panel (Chaired by David Gonski), *Review of Funding for Schooling*, Final Report, December 2011, p. 105.

background and educational outcomes is significantly more pronounced in Australia than in other high-performing OECD countries.

1.7 Central to the panel's definition of equity is the belief that the underlying talents and abilities of students that enable them to succeed in schooling are not distributed differently among children from different socioeconomic status, ethnic or language backgrounds, or according to where they live or go to school. The Review cites evidence that all children are capable of learning and achieving at school in the right circumstances and with the right support.⁴

1.8 The Gonski Review provides extensive evidence of the inequitable state of Australian schooling system, including the following:

- Australia has a strong concentration of advantaged students in certain schools and a strong concentration of disadvantaged students in other schools, predominantly government schools.
- There is a growing body of evidence that the composition of a school's population has a significant impact on the outcomes achieved by all students at the school so that concentrations of disadvantage accentuate underperformance.
- Schools with high concentrations of disadvantaged students tend to have less material and social resources, more behavioural problems, less experienced teachers, lower student and family aspirations, less positive relationships between teachers and students, less homework and a less rigorous curriculum
- Over 80 per cent of students who did not reach the level required for proficiency to participate in society in reading and mathematics are in government schools. (They represent about 20 per cent of government school students, compared to about 8 per cent of Catholic students and 7 per cent of independent school students.)
- There is a significant gap between Australia's highest and lowest performing students which is linked to educational disadvantage, particularly among students from low socioeconomic and Indigenous backgrounds.
- In relation to reading literacy, the gap between students from the highest and lowest economic, social and cultural status quartiles was approximately three years of schooling.
- The average performance of Australian students from the lowest quartile is significantly lower than the OECD average.
- Students from low socioeconomic backgrounds are disproportionately represented in Australia's 'underperforming tail' in the 2009 PISA assessment of literacy domain.

4 Review Panel (Chaired by David Gonski), *Review of Funding for Schooling*, Final Report, December 2011, p. 105.

- According to 2010 NAPLAN data, Indigenous students living in very remote areas for all domains *and all year levels* performed, on average, below the mean score of *Year 3* non-Indigenous metropolitan students.
- In the 2009 PISA assessments around one quarter of Australian 15 year-olds in the lowest economic, social and cultural status quartile performed at a level which puts them at serious risk of not being able to adequately participate in the workforce and contribute as productive citizens.

1.9 In order to respond to Australia's declining international performance, and the inequity in the system, the Gonski Review recommended a significant and ongoing increase in school funding in Australia in the order of \$5 billion per year, which translates into \$6.5 billion per year in today's terms.

1.10 It is widely acknowledged that Australia currently underinvests in education. As a percentage of Gross Domestic Product (GDP), Australia's spending on education is lower than the OECD average. Education Minister Garrett acknowledged this himself in September 2012, when he said, 'Our spend on education as a share of GDP has remained flat since 2001 and is currently still lower than the OECD average, once the one-off spend is removed'.⁵

1.11 There is an even more significant underspend when it comes to government schools, which educate the great majority of children from high-needs and disadvantaged backgrounds: 80% of those in the lowest SES quartile, 85% of Aboriginal and Torres Strait Islander students, 78% of those with a disability, 83% of students in remote areas and most students from a non-English speaking home.

1.12 Total government funding (Federal and State) per student in independent schools increased by 82 per cent between 2002 and 2009, and the increase per student in Catholic schools in the same period was 64 per cent. By contrast, the increase for government schools was 48 per cent.⁶

1.13 Overall, the proportion of total government schools funding spent on public schools in Australia, has decreased from 77.1 per cent in 2003 to 68.6 per cent in 2009. The OECD average is 85.8 per cent.⁷

1.14 Over the same period of time, Australia's educational performance has declined, both at the highest and lowest ends of educational advantage.

1.15 More than a year after the Gonski Review was released, the Australian Greens are alarmed that the Australian Education Bill 2012 contains no detail regarding the amount of funding to be provided for its implementation, nor how it is to be allocated. Details of the contributions from the States and Territories are also missing, as is any

5 The Hon. Peter Garrett MP, 'More Liberal excuses on education', *Media Release*, 13 September 2012.

6 Save Our Schools, Education Research Brief, 9 January 2012.

7 Save Our Schools, Education Research Brief, 9 January 2012.

overall guide to its implementation. The situation is critical, particularly for those students in government schools where disadvantage is concentrated.

1.16 The Gonski Review itself has stressed the need for urgent reform, stating that:

The additional investment needed to implement a schooling resource standard is necessary because, without it, the high cost of poor educational outcomes will become an even greater drag on Australia's social and economic development in the future. The need for the additional expenditure and the application of what those funds can do is urgent. Australia will only slip further behind unless, as a nation, we act and act now.⁸

1.17 It is essential that funding arrangements be finalised and legislated for, as a matter of urgency, if the concerns raised by Gonski are to be addressed and the risk of further decline averted.

1.18 In light of previous indications from the Government that any increased investment into Australia's schooling system, as recommended in the Gonski Review, will be introduced over a lengthy period of years, the Australian Greens call for the Bill to be amended to ensure that the most disadvantaged government schools will be prioritised for any additional Commonwealth funding during the implementation of the national plan.

Recommendation

1.19 The Australian Greens recommend that the Australian Education Bill 2012 be amended so that the most disadvantaged government schools will be prioritised for any additional Commonwealth funding during the implementation of the national plan.

Senator Penny Wright

8 Review Panel (Chaired by David Gonski), *Review of Funding for Schooling*, Final Report, December 2011, p. 212.

APPENDIX 1

Submissions received

Submission Number	Submitter
1	Atheist Foundation of Australia Inc
2	Save Our Schools
3	Christian Schools Australia Limited
4	Australian Federation of Graduate Women
5	Independent Schools Council of Australia
6	Australian Federation of Disability Organisations
7	Isolated Children's Parents' Association
8	Mission Australia
9	Independent Schools Queensland
10	Australian Education Union
11	Independent Education Union of Australia
12	Ms Ursula Smith
13	Australian Association of Christian Schools
14	The Smith Family
15	Novita Children's Services
16	National Disability Services
17	Australian Council of State School Organisations
18	Australian Secondary Principals Association Ltd
19	Children with Disability Australia
20	Not-For-Profit Community Organisations Alliance

- 21 The Association of Heads of Independent Schools of Australia
- 22 Department of Education, Employment and Workplace Relations
- 23 National Catholic Education Commission
- 24 Australian Parents Council Inc.
- 25 Department of Education Tasmania
- 26 Foundation for Young Australians
- 27 Association of Independent Schools of South Australia
- 28 Isolated Children's Parents' Association of NSW Inc
- 29 Ms Celine Ogg
- 30 Independent Schools Victoria
- 31 Dr Kate Tree
- 32 National Disability Strategy Implementation Reference Group
Attachment 1
Attachment 2

Answers to questions on notice

- 1 Answers to questions on notice from Australian Association of Christian Schools received 7 March, 2013.
- 2 Answers to questions on notice from Independent Schools Council of Australia received 8 March, 2013.
- 3 Answers to questions on notice from Australian Education Union received 8 March, 2013.
- 4 Answers to questions on notice from Department of Education, Employment and Workplace Relations received 13 March, 2013.
- 5 Answers to questions on notice from Catholic Education Commission of Victoria received 13 March, 2013.

APPENDIX 2

Witnesses who appeared before the committee

Melbourne, Friday, 1 March 2013.

Members in attendance: Senators Marshall, McKenzie, Wright.

BLACKWOOD, Mr Alan McKenzie, Policy Officer, Children with Disability Australia

COLMAN, Ms Colette, Manager, Policy Analysis and Research, Independent Schools Council of Australia

COOK, Mr Tony, Associate Secretary, Department of Education, Employment and Workplace Relations

ELDER, Mr Stephen, Noel, Commissioner, National Catholic Education Commission

GARRIGAN, Mr Peter, President, Australian Council of State School Organisations

GIANNI, Mr Stephen, National Policy Officer, Australian Federation of Disability Organisations

GIBLIN, Mrs Dianne, Chief Executive Officer, Australian Council of State School Organisations

GOTLIB, Ms Stephanie, Executive Officer, Children with Disability Australia

JOHNSTON, Mr Robert, Executive Officer, Australian Association of Christian Schools

KRIZ, Mr George, Chief Lawyer, Department of Education, Employment and Workplace Relations

Mr Angelo Gavrielatos, Federal President, Australian Education Union

Ms Jennifer Devereaux, Federal Research Officer, Australian Education Union

O'DOHERTY, Mr Stephen Mark, Chief Executive Officer, Christian Schools Australia Ltd

ROBERTSON, Mr David Harold, Executive Director, Independent Schools Queensland

SPENCER, Mr Mark Ronald, Executive Officer, National Policy, Christian Schools Australia Ltd

TEMBY, Mrs Therese, Chair, National Catholic Education Commission

WALLET, Mr Barry James, Deputy Executive Director, Independent Schools Council of Australia