

# CHAPTER 2

## Education in Australia: a background

2.1 This chapter provides a broad overview of education in Australian schools. The respective role of the Commonwealth and the states is outlined, along with school funding and recent policy announcements.

### **The role of the Commonwealth and the states and territories**

2.2 The Constitution provides that school education is primarily the responsibility of the states and territories. The Department of Education, Employment and Workplace Relations described the division of responsibilities in the following terms:

While the Australian Government plays a leadership role in driving forward national educational reforms and provides funding for areas of national educational importance, school education in Australia is principally the constitutional responsibility of the states and territories who are responsible for the delivery and management of schooling.<sup>1</sup>

2.3 Because the responsibility for schooling rests with the states and the territories, the success of initiatives by the Australian Government are dependent upon the cooperation and participation of state and territory governments, independent schools and Catholic schools.

2.4 In recent decades the Australian Government has become increasingly involved in education policy development and has worked with states and territories through the Council of Australian Governments (COAG) to introduce reforms. The Standing Council on School Education and Early Childhood (SCSEEC) was launched by the COAG in January 2012 and provides a forum for strategic policy discussions on a national level.<sup>2</sup>

### ***National initiatives***

2.5 In December 2008, Education Ministers from the states, territories and the Commonwealth released the Melbourne Declaration on Educational Goals for Young Australians. The twenty page declaration sets the direction for Australian schooling for the next ten years.<sup>3</sup>

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1 Department of Education, Employment and Workplace Relations, *Submission 28*, p. 4. See also, *Australian Constitution 1901*.

2 The SCSEEC supersedes the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEETYA).

3 Ministerial Council on Education, Employment, Training and Youth Affairs, *Melbourne Declaration on Educational Goals for Young Australians*, December 2008.

2.6 The two goals identified are:

Goal 1:

Australian schooling promotes equity and excellence

Goal 2:

All young Australians become:

- Successful learners
- Confident and creative individuals
- Active and informed citizens.<sup>4</sup>

2.7 The Australian governments committed to 'working with all school sectors and the broader community to achieve the educational goals'<sup>5</sup>, noting that responsibility for achieving these goals does not rest solely on one group:

Achieving these educational goals is the collective responsibility of governments, school sectors and individual schools as well as parents and carers, young Australians, families, other education and training providers, business and the broader community.<sup>6</sup>

2.8 The Ministers released a Four Year Plan as a companion to the Melbourne Declaration. This plan sets out the strategies and initiatives that Australian governments agreed to implement to achieve the goals. Recent reforms to improve teaching and learning at a national level, with state and territory support, include:

- The National Professional Standards for Teachers;
- National system of accreditation of initial teacher education programs;
- Nationally consistent approach to teacher registration;
- National approach to the Certification of Highly Accomplished and Lead Teachers;
- Professional development needs for principals and school leaders;
- National Professional Standards for Principals; and

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4 MCEETYA, *Melbourne Declaration on Educational Goals for Young Australians*, December 2008, p. 7.

5 MCEETYA, *Melbourne Declaration on Educational Goals for Young Australians*, December 2008, p. 10.

6 MCEETYA, *Melbourne Declaration on Educational Goals for Young Australians*, December 2008, p. 7.

- The Australian Curriculum.<sup>7</sup>

2.9 To promote the reforms listed above and in cooperation with COAG, the Australian Government established the Australian Institute for Teaching and School Leadership (AITSL). The key purpose of AITSL is to 'provide national leadership for Commonwealth, state and territory governments in promoting excellence in the profession of teaching and school leadership'.<sup>8</sup>

2.10 The Australian Government has also created the Australian Assessment and Reporting Authority (ACARA) to 'oversee the development of an Australian schools' curriculum' and to develop and administer the National Assessment Program – Literacy and Numeracy (NAPLAN), and to assess this data.<sup>9</sup>

2.11 In September 2012 the Prime Minister announced the National Plan for School Improvement. The Department describes this plan as focusing on 'those things that make the most difference in improving student outcomes, including ensuring that the best teachers are in every school'.<sup>10</sup> The Australian Government has discussed the plan with state and territory governments, Catholic Schools, and independent schools with a view to settling on an agreement on the terms of the plan by July 2013.<sup>11</sup> The Australian Government has also made a number of announcements recently related to school funding, which are discussed below.

### ***State and territory initiatives***

2.12 Concurrently with federal initiatives state and territory governments have conducted inquiries and announced policy changes to education policy. A large number of announcements have been made in the past 12 months, as the following examples illustrate.

2.13 On 21 June 2012 the Victorian Government launched its *New Directions for School Leadership and the Teaching Profession* outlining a 10 year vision for the teaching profession aimed at improving student performance.<sup>12</sup> The discussion paper includes suggestions that the worst 5 per cent of teachers be sacked, higher pay for teachers in demand areas such as mathematics and science and sourcing principals

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7 Department of Education, Employment and Workplace Relations, *Submission 28*, p. 3.

8 Australian Institute for Teaching and School Leadership, *Submission 18*, p. 3.

9 Department of Education, Employment and Workplace Relations, *Submission 28*, p. 4.

10 Department of Education, Employment and Workplace Relations, *Submission 28*, pp 3–4.

11 Department of Education, Employment and Workplace Relations, *Submission 28*, p. 4. At the time of printing, NSW had agreed to the proposal, however the federal government was still negotiating with other states and territories (the Prime Minister had extended the due date to the end of July 2013).

12 Available online: <http://www.education.vic.gov.au/about/departments/Pages/teachingprofession.aspx?Redirect=1> (accessed March 2013).

outside of the teaching profession.<sup>13</sup> The paper also calls for rigorous performance assessments and higher admission standards for prospective teachers. Submissions on the discussion paper were due by 1 September 2012.<sup>14</sup> The Victorian Government recently announced an in-principle agreement with staff in Victorian Government schools in relation to their Enterprise Bargaining Agreement, which included a number of reforms. These reforms included annual salary increases, greater flexibility for principals in managing resources and performance-based incentives and salary level progression. These reforms are still going through formal approval processes, including agreement by staff.<sup>15</sup>

2.14 In early March 2013 the New South Wales government announced a number of initiatives to restrict the number of year 12 graduates who can access teaching courses. Students would need to achieve more than 80 in three HSC subjects (including English), the number of students who can access practical training would be capped, and prospective teachers would need to undertake literacy, numeracy and aptitude for teaching tests.<sup>16</sup> The Victorian government made a similar announcement. Both announcements were quickly followed by announcements by the federal government to raise teacher entry standards, improve practicum, review courses, and the establishment mandatory literacy and numeracy tests for all teaching students prior to graduation.<sup>17</sup>

2.15 The Queensland Government has undertaken a number of measures through the *Review of Teacher Education and School Induction Project*.<sup>18</sup> In response to the *Review of Teacher Education and School Induction*, by Professor Brian Caldwell and Mr David Sutton, the government established a Teacher Education Implementation Taskforce. The taskforce was established to report on 41 of the 65 recommendations made in the review (the other 24 were implemented immediately) which it completed in January 2012. The taskforce's report is still under consideration by the

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13 Jewel Topsfield, 'Baillieu plan to get rid of bad teachers', *The Age*, 21 June 2012.

14 Victorian Government, *New Directions for School Leadership and the Teaching Profession* Discussion Paper, June 2012, pp 7–8, <http://www.education.vic.gov.au/about/departments/Pages/teachingprofession.aspx?Redirect=1> (accessed 5 April 2013).

15 The Hon. Dr Denis Napthine MP, Premier, and The Hon. Peter Hall MLC, Minister for Higher Education and Skills; Minister for the Teaching Profession, 'Coalition Government finalises teachers' EBA', Joint Media Release, 17 April 2013.

16 Anna Patty, 'Teaching bar raised: 70% of applicants would be rejected', *Sydney Morning Herald*, 6 March 2013.

17 The Hon. Chris Bowen MP, Minister for Tertiary Education, Skills, Science and Research and The Hon. Peter Garrett MP, Minister for School Education, Early Childhood and Youth, 'Higher Standards for Teacher Training Courses', Joint Media Release, 11 March 2013.

18 Queensland Government *Review of Teacher Education and School Induction Project* webpage, <http://education.qld.gov.au/students/higher-education/services/projects/review.html> (accessed 5 April 2013).

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government.<sup>19</sup> The Queensland Government recently released *Great teachers = Great results: A direct action plan for Queensland schools*. The policy commits an additional \$535 million to education over four years, commencing in 2015. Released in the context of Gonski model funding negotiations, the extra funding is dependent on the Commonwealth Government committing to 'ongoing funding for Queensland schools at current rates (including funding currently provided under relevant National Partnership Agreements) with appropriate indexation'.<sup>20</sup>

2.16 'Great Teachers = Great results' aims to increasing the standard of teachers and school leaders and provide schools with greater autonomy. Key initiatives include:

- Annual performance reviews for teachers
- An accredited mentoring program for beginning teachers
- The creation of 300 'Master Teacher' positions to support poor performing schools, employed on three year contracts.
- 200 scholarships for 'high performing' teachers to undertake a Masters degree.
- Increasing school autonomy by expanding the 'Independent Public Schools' initiative.

2.17 The policy does not detail what mechanisms or standards will be used to evaluate teacher performance. The Master Teacher positions, while an innovative way of supporting poor performing schools, are temporary (based on a three year contract) rather than permanent.

2.18 The initiatives listed above are a brief snapshot of the recent policy announcements rather than an exhaustive list.

## **School funding**

2.19 Although state and territory governments are constitutionally responsible for education, the Commonwealth is the major provider of public funds for non-government schools while state and territory governments regulate and primarily fund public schools. The Commonwealth government achieves its educational policies by providing conditional funding to the states and territories. Funding on both levels of

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19 Queensland Government *Teacher Education Implementation Taskforce* webpage, <http://education.qld.gov.au/students/higher-education/services/projects/review.html> (accessed 5 April 2013).

20 Queensland Department of Education, Training and Employment, 'Great Teachers = Great results: A direct action plan for Queensland schools Factsheet', April 2013.

government is currently coordinated through the Council of Australian Governments.<sup>21</sup>

2.20 The Commonwealth substantively engaged school funding in 1964 and subsequently established recurrent per student grants with an overall objective of supporting minimum acceptable standards in all schools. In 2009 the Commonwealth changed its funding arrangements with the majority of funds now being administered under the National Schools Specific Purpose Payment (NSSPPs). NSSPPs exist in two streams for government and non-government schools respectively. State and territory government authorities have discretion on how monies from NSSPPs should be spent – but on the basis of agreed outcomes.<sup>22</sup>

### ***Government school payments***

2.21 The NSSPP for government schools funds a base agreed amount of 10 per cent of the Average Government School Recurrent Costs (AGSRC) per student in recurrent funding.<sup>23</sup> This funding is indexed each year based on the growth in full-time equivalent enrolments and increases in primary and secondary amounts of the Average Government School Recurrent Costs standard.

### ***Non-government school payments***

2.22 While maintaining programs that existed prior to 2009, NSSPPs for non-government schools also introduced additional recurrent funding measures for Indigenous students and remote schools.<sup>24</sup> It encompasses funding for general recurrent grants which are based on a calculated measure of need according to a socioeconomic score (SES).<sup>25</sup>

2.23 Although funding is calculated on a needs basis, due to a commitment by the Howard Government in 2001 that no school would be financially worse off, schools

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21 Marilyn Harrington, *Australian Government funding for schools explained*, Background note from the Parliamentary Library, Department of Parliamentary Services, Updated 8 March 2013, p. 2, [http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;orderBy=date-eFirst;page=0;query=MajorSubject\\_Expand%3AEducation%20Dataset%3Abillsdgs,prspub;rec=7;resCount=Default](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;orderBy=date-eFirst;page=0;query=MajorSubject_Expand%3AEducation%20Dataset%3Abillsdgs,prspub;rec=7;resCount=Default) (accessed 23 April 2013).

22 The COAG Reform Council 'Reports: Education.'  
<http://www.coagreformcouncil.gov.au/reports/education.cfm> (accessed 9 April 2013).

23 Established on the basis of the COAG *Intergovernmental Agreement on Federal Financial Relations*, 2001,  
[http://www.federalfinancialrelations.gov.au/content/inter\\_agreement\\_and\\_schedules/IGA\\_federal\\_financial\\_relations\\_aug11.pdf](http://www.federalfinancialrelations.gov.au/content/inter_agreement_and_schedules/IGA_federal_financial_relations_aug11.pdf) (accessed 9 April 2013).

24 Authorised under the *Schools Assistance Act 2008* (Cth).

25 Department of Education, Employment and Workplace Relations, 'SES Scores, funding status and levels for non-government schools – 2009-13',  
[https://ssp.deewr.gov.au/ssp/help/html/ses/funding\\_09\\_12/ses\\_scores.html](https://ssp.deewr.gov.au/ssp/help/html/ses/funding_09_12/ses_scores.html) (accessed 9 April 2013).

that otherwise may have suffered a drop in funding after their SES score was calculated did not. Funding levels were maintained and indexed in subsequent years. (Recently, the Gillard government has made similar undertakings to independent schools – although concerns remain about indexation).<sup>26</sup>

2.24 Other schools that automatically receive the maximum available rate of funding included schools catering for the disabled, special assistance schools and majority Indigenous student schools.<sup>27</sup> In addition, due to some schools joining the SES system later with other conditions attached, there are a range of schools with the same SES scores but funded at different rates under various funding arrangements.

2.25 In addition to NSSPPs, National Partnerships<sup>28</sup> and Commonwealth Own-Purpose Expenses<sup>29</sup> also exist to fund a number of measures such as the Digital Education Revolution, More Support for Students with Disabilities and the Australian Baccalaureate.

### ***Gonski Review of Funding for Schooling***

2.26 In 2010 the Australian Government commissioned a Review of Funding for Schooling inquiry. The government asked the Review Panel to 'develop a funding system for schooling which is transparent, fair, financially sustainable and effective in promoting excellent outcomes for all Australian students'.<sup>30</sup> The review panel received over seven thousand submissions, visited 39 schools and consulted widely with education groups. The panel was chaired by Mr David Gonski, and delivered its final report to the government in December 2011.<sup>31</sup> The final report, commonly known as the 'Gonski Review', spans more than 300 pages and provides 41 recommendations.

2.27 The review panel identified a number of difficulties associated with reviewing funding arrangements. These included:

- significant organisational differences across school sectors;
- differences in demographics of student bodies;

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26 For concerns on indexing, see evidence given to the Senate Education, Employment and Workplace Relations Legislation Committee during its inquiry into the Australian Education Bill: *Proof Committee Hansard*, 1 March 2013, pp 3, 11 and 50.

27 70 per cent of their costs as assessed under the Average Government School Recurrent Costs standard.

28 Authorised by the *Federal Financial Relations Act 2009* (Cth).

29 Authorised by the *Financial Management and Accountability Act 1997* (Cth), Section 32(b).

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

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

- different challenges being faced by sectors and states;
- variation in funding arrangements from the Australian and state and territory governments across sectors and states; and
- a lack of consistency in data collection and reporting.

2.28 Overall the review panel found that existing funding arrangements for schooling need to be more coherent and transparent, less complex and reduce duplication of funding in some areas. The review panel concluded that lower performing students should receive funding priority and recommended that reforms be made to achieve this. Key measures to implement this vision include:

- *Creation of a new schooling resource standard.* The standard would provide for general recurring funding across all sectors; educational needs (e.g. socioeconomic background); equity of funding in terms of student numbers across school sectors; and periodical reviews. The standard would be modelled on resourcing trends from existing high-performance schools.

Under the schooling resource standard all public schools would be fully funded on a per student basis. Schools in the non-government sector would be funded on the anticipated level of a school's private contribution.

- *Better coordination of infrastructure.* Expanded Australian Government funding to better coordinate planning on new schools and major expansions, and grants for other major works and infrastructure projects.
- *National Schools Resourcing Body.* The report recommends that an independent National Schools Resourcing Body be formed for governance of the new measures.
- *Review of existing framework of intergovernmental agreements on schooling.* The report states that the existing framework of agreements would need to be revised to meet the requirements of the new funding framework.

2.29 Relevantly for this inquiry, the review panel concluded that the challenges faced by the Australian school system cannot be addressed simply in financial terms:

The panel accepts that resources alone will not be sufficient to fully address Australia's schooling challenges and achieve a high-quality, internationally respected schooling system. The new funding arrangements must be accompanied by continued and renewed efforts to strengthen and reform Australia's schooling system.<sup>32</sup>

2.30 In response to the Gonski Review the government introduced the Australian Education Bill 2012 in Parliament on 28 November 2012. The bill, which was

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

informed by the Gonski Review, outlines a vision for national school reform and the development of a National Plan for School Improvement. The government states that if passed the bill would provide a legislative framework for school funding that provides equitable access and high quality education to all children.<sup>33</sup>

2.31 The Senate Education, Employment and Workplace Relations Legislation Committee conducted an inquiry into the bill and reported on 13 March 2013.<sup>34</sup> The committee majority welcomed the broad in-principle support offered by stakeholders for the measures that would be established through the bill. Coalition Senators expressed concern at the lack of detail in the bill, indexation, loadings, timing, and additional costs to schools.<sup>35</sup>

### *April COAG Meeting*

2.32 On the Sunday before the upcoming COAG meeting, the Prime Minister the Hon. Julia Gillard MP released details of the government's School Funding. The government proposed to increase school funding by \$14.5 billion over 6 years, with \$12 billion to be reserved for public schools, \$1.5 billion for Catholic Schools and \$1 billion for independent schools. The government undertook to index its contribution at 4.7 per cent. The proposal is contingent upon the states and territories agreeing to increase their spending by 3 per cent.<sup>36</sup>

2.33 The Prime Minister submitted that as a consequence of this funding boosts schools could afford to provide specialist teachers where needed and improved technology aids.<sup>37</sup>

2.34 Controversially, the government proposes to fund this expenditure by introducing cuts to higher education, including an imposition of an efficiency dividend

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33 At the time of printing, the Australian Education Bill had not yet been introduced to the Senate. Updated information is available on the bill's homepage:  
<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p?query%3DID%3A%22legislation%2Fbillhome%2Fr4945%22>.

34 Senate Education, Employment and Workplace Relations Legislation Committee, *Australian Education Bill 2012 [Provisions]*, March 2013.

35 Coalition Senators' Dissenting Report, Senate Education, Employment and Workplace Relations Legislation Committee, *Australian Education Bill 2012 [Provisions]*, March 2013.

36 ABC News Online, 'Gillard reveals details of Gonski school funding', 14 April 2013, <http://www.abc.net.au/news/2013-04-14/gillard-announces-details-of-gonski-education-reforms/4627910> (accessed 14 April 2013).

37 ABC News Online, 'Gillard reveals details of Gonski school funding', 14 April 2013, <http://www.abc.net.au/news/2013-04-14/gillard-announces-details-of-gonski-education-reforms/4627910> (accessed 14 April 2013).

on universities, which are estimated to be worth \$2.3 billion.<sup>38</sup> While the Gonski funding announcement was supported by many, the decision to fund the program through cuts to higher education was subject to criticism from many quarters, including universities, the National Tertiary Education Union, Mr Gonski and the Federal Coalition.<sup>39</sup>

2.35 The Commonwealth Government presented the proposed education reforms to the state and territory governments at the COAG meeting on 19 April 2013. Although agreement was not reached, a number of states have indicated a willingness to work with the federal government with a view to reaching agreement by the end of June 2013.<sup>40</sup> At the time of publishing this report, the NSW Government has signed on to the proposed agreements.<sup>41</sup>

## Conclusion

2.36 The policy setting since this inquiry was referred in September last year has changed remarkably. A number of Australian governments have announced changes to admission standards for prospective teachers, higher exit and registration standards, and higher remuneration. Against this backdrop, the federal government has introduced a bill to respond to the Gonski Review of School funding, and is working with the states and territory governments through COAG to reach a new funding agreement for schools.

2.37 However, improving our schools and the outcomes for our students is not simply about spending more money: the way that money is spent and what it is spent on matters. Decisions must be made about how to allocate finite resources and any increased funding must be expended strategically and directed to areas of most need – while maintaining fairness. It is these issues that the remainder of the report focuses

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38 A 2 per cent efficiency dividend will be imposed in 2014, and 1.25 per cent in 2015 (averaging \$300 million per annum). Other measures include removal of the 10 per cent discount on paying university fees upfront, removal of the 5 per cent bonus received for voluntary repayment of HELP debts and converting student start-up scholarships into a loan. Minister the Hon. Craig Emerson MP, 'Statement on Higher Education', Media Release, 13 April 2013. <http://minister.innovation.gov.au/craigemerson/MediaReleases/Pages/StatementonHigherEducation.aspx> (accessed 1 May 2013).

39 ABC News Online, 'Gillard reveals details of Gonski school funding', 14 April 2013, <http://www.abc.net.au/news/2013-04-14/gillard-announces-details-of-gonski-education-reforms/4627910> (accessed 14 April 2013). The National Tertiary Education Union has also criticised the cuts, see for example National Tertiary Education Union, 'School reforms should not come at cost of universities', Media release, 13 April 2013.

40 Council of Australian Governments, *Council of Australian Governments Meeting – Communiqué Canberra, 19 April 2013*, <http://www.coag.gov.au/node/498> (accessed 24 April 2013).

41 Ben Packham, 'PM urges other states to sign on to Gonski reforms', *The Australian*, 24 April 2013; <http://www.theaustralian.com.au/national-affairs/education/pm-urges-other-states-to-sign-on-to-gonski-reforms/story-fn59nlz9-1226628444956> (accessed 24 April 2013).

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on. The next chapter discusses the performance of Australian students – in relation to each other and overseas peers.