



**Australian Education Union**

**Submission to the**

**Senate Inquiry into the Development and  
Implementation of National School Funding  
Arrangements and School Reform**

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The Australian Education Union represents approximately 190,000 members employed in public primary, secondary and special schools and the early childhood, TAFE and adult provision sectors as teachers, educational leaders and education assistants or support staff classifications across Australia.

Around 180,000 AEU members are employees within the schools workforce, which makes AEU members the vast majority of the public school workforce.

Our members work every day with a diverse and complex range of students across the spectrums of age, ability, geographic location and socio-economic, cultural and linguistically diverse backgrounds.

Public schools educate the majority of students who are educationally disadvantaged and/or have special needs. These patterns of enrolment reflect the unique position of public schools within the Australian school system, flowing from the legal and moral responsibility of the public school system to provide universal access to quality school education and be open to all students.

This poses a unique challenge for public schools and for those who work in them. It highlights the fundamental need for school funding arrangements across the country which ensure that all Australian children can equitably access high quality education regardless of their background and circumstances, not least of which is where in Australia they live.

These understandings underpin our submission to this inquiry into the development and implementation of national school funding arrangements and school reform.

## ***Introduction***

The Gonski Review was a watershed in Australia's educational and political history.

It was undertaken by a panel of independent experts, informed by a wealth of national and international empirical evidence including independent research commissioned by the review. It involved extensive stakeholder and public consultation, and received over 7000 submissions.

It established that as a nation we invest too little in education and that our funding arrangements are inequitable, inefficient and failing too many children. Driven largely by political accommodations rather than the needs of students and schools, this has resulted in achievement and educational attainment gaps between students from disadvantaged backgrounds and those from more advantaged backgrounds which are greater than in any comparable nation.

It found that those most affected by the inequities in our funding system are the most vulnerable and disadvantaged students, including those with disabilities and special needs, and the schools that serve them; predominantly schools in the public sector.

Using the OECD definition of equity in education – that every child should be able to achieve their potential regardless of social, cultural or economic background or their relationship to

property, power or possession - as its starting point, the review made a series of recommendations for long overdue major reform of our schools funding arrangements.

At the heart of these recommendations was the call for a national commitment to substantially increased investment in education and a fairer more equitable funding system. These two measures would help lift Australia's educational achievement by ensuring all schools have the resources they need to educate every student to a high standard, no matter what their background.

*Australia needs to make a serious and systematic effort to reduce the disparities that exist at present between the educational performance of students from high and low socio-economic backgrounds. All students should be able to access a high standard of education regardless of their background and where they live, and funding arrangements should provide them with the resources, support and opportunity for them to reach their full potential.<sup>1</sup>*

There was wide support for the broad thrust of the Gonski findings and recommendations from educators, parents, business leaders, community and welfare groups. Furthermore, there is now a widespread community expectation that our governments, led by the Federal Government, would commit to the funding and legislative reform necessary to implement the Gonski recommendations as a matter of urgency.<sup>2</sup>

The *Australian Education Act 2013* (June 26 2013) enshrined in law the central Gonski recommendations for future funding arrangements based on the actual needs of Australian schools and school students, to come into effect from 1 January 2014.

This legislation commits the Commonwealth to working with state and territory governments and non-government education authorities, to implement a National Plan for School Improvement as set out in the National Education Reform Agreement, with increased funding for government schools conditional on agreement to meet these obligations.

The Act affirmed the Melbourne Declaration on Educational Goals for Young Australians (2008), and the fundamental responsibility of all governments, Commonwealth, state and territory, as well other partners involved in the provision of education in Australia, to make a national commitment to cooperation and collaboration in ensuring high quality schooling for all Australian students, regardless of their background, circumstances or where they live:

- *All students in all schools are entitled to an excellent education, allowing each student to reach his or her full potential so that he or she can succeed, achieve his or her aspirations, and contribute fully to his or her community, now and in the future.*

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<sup>1</sup> Gonski Review of Funding for Schooling – Final Report, December 2011, p150

<sup>2</sup> The only dissonant voice of significance was the then Coalition Opposition, with Tony Abbott and Christopher Pyne insisting in the face of all the evidence that there is no equity problem in Australian schooling, school funding reform is not necessary, and that Gonski was “unworkable, complex and grotesquely expensive”. The existing system is “not broken”; the Howard government’s schools funding model works well; schools receive the money they need, and (even if they didn’t) money is not the solution to Australia’s education problems.

- *The quality of a student's education should not be limited by where the student lives, the income of his or her family, the school he or she attends, or his or her personal circumstances.*
- *The quality of education should not be limited by a school's location, particularly those schools in regional Australia.*
- *It is essential that the Australian schooling system be of a high quality and be highly equitable in order for young Australians to become successful learners, confident and creative individuals, and active and informed citizens. A high quality and highly equitable Australian schooling system will also create a highly skilled, successful and inclusive workforce, strengthen the economy, and increase productivity, leading to greater prosperity for all. [Preamble, Australian Education Act 2013]*

**Term of Reference 1: The implementation of needs-based funding arrangements, from 1 January 2014, for all schools and school systems, including:**

- i. *Commonwealth funding, methods for the distribution of funds, funding arrangements and agreements with states and territories, as well as related accountability and transparency measures;*
- ii. *funding arrangements for individual schools;*
- iii. *the extent to which schools can anticipate their total future funding and links to educational programs in future years;*
- iv. *the consequential equity of educational opportunity between states and territories, schools and students;*
- v. *progress towards the Schooling Resource Standard; and*
- vi. *the implementation of schools reforms.*

The needs-based funding architecture proposed by Gonski centred on a specified standard of resources, the Schooling Resource Standard (SRS). This is made up of a base level of funding for every student, as well as loadings that target disadvantage and need at student and school level in specific areas that are known to impact on student and school performance. There are loadings for low SES background, Indigeneity, English language proficiency, disabilities and special needs, and the size and location of schools. In this way, schools are funded to reduce the impact of aggregated social disadvantage on educational outcomes and close the achievement gap between students, schools and sectors.

Not only would the quantum of resources available to schools be greater, but it would be distributed more effectively and equitably. Significantly greater levels of funding would flow to public schools, because this sector educates the majority of children from disadvantaged and high-needs backgrounds: around 80% of students in the lowest quartile of socio-economic disadvantage; 85% of Indigenous students; 78% of students with a funded disability; 83% of students in remote/very remote areas; and the majority of students with English language difficulties, for example over 90% of students in the ESL New Arrivals Program, attend public schools.

*Additional resources are required to achieve sustained improvements and move Australia to a high-performing and high-equity schooling system. These resources must be targeted at those school-based and classroom-based teaching and learning strategies which are critical to success.... Australia and its children, now and in the future, deserve nothing less.*<sup>3</sup>

***Commonwealth funding, methods for the distribution of funds, funding arrangements and agreements with states and territories, as well as related accountability and transparency measures***

‘Gonski’ funding requires substantially increased investment from both the Commonwealth and the states and territories. The reform effort must be driven by the Commonwealth, through agreements with the states and territories on the clearly articulated accountability and public transparency measures to be met in return for their share of substantially increased Commonwealth funding.

The estimated cost of the additional funding required for the transition over six years to achieve the SRS was an additional \$15 billion. Commonwealth funding was to provide 65% of the additional funding, around \$10 billion over the six years from 2014 to 2019. In return the states and territories would be required to commit to extra funding for schools, maintenance and indexation of their funding effort, and distribution according to student and school need, all of which would be necessary for achievement of the reforms.

The former Labor Government made a commitment to these reforms, and throughout 2013 six year agreements were reached between the Commonwealth and the governments of New South Wales, Victoria, South Australia, Tasmania and the ACT. Western Australia, Queensland and the Northern Territory maintained their opposition and refused to enter into agreements.

In opposition, the Federal Coalition was initially hard-line in its repudiation of the reforms but political expediency eventually drove Tony Abbott to his ‘*Kevin Rudd and I are on a unity ticket*’ pre-election commitment:

*So, we will honour the agreements that Labor has entered into. We will match the offers that Labor has made. We will make sure that no school is worse off. We think that money is important.*<sup>4</sup>

Despite attempts to renege on this position after coming to office, the strength of community support for the implementation of the reforms again forced the Coalition to maintain the position it took to the election.

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<sup>3</sup> Gonski Review of Funding for Schooling – Final Report, December 2011, p221

<sup>4</sup> Opposition Leader Tony Abbott, Election Announcement, 2 August 2013. Available at ABC News, ‘Coalition commits to matching Labor’s school funding plan’; <http://www.abc.net.au/news/2013-08-02/coalition-commits-to-matching-labor-school-funding/4861142> Abbott August 2 2013.

The failure of negotiations between the Commonwealth and the jurisdictions of Queensland, Western Australia and the Northern Territory to reach six year Gonski funding agreements prior to the election of the Abbott Government in 2013 has been exploited by the new government. It has made separate short-term accommodations with those governments for additional funding, although at much lower levels than was previously on offer, and without any conditions - co-contribution, maintenance and indexation of funding effort, and distribution according to school and student need – attached, which is tantamount to writing a blank cheque.

However the situation as it currently exists with regard to the implementation of the needs-based funding arrangements central to the Gonski reform proposals and the *Australian Education Act 2013* is untenable. While the Coalition says it will deliver on its promise to honour “the spirit and the letter” of Labor’s Gonski commitments, in actual fact it has only committed \$2.8 billion over four years to 2016/17; i.e. less than one third of the Commonwealth commitment promised by Labor with no money for the fifth and sixth years of the agreements.

We now find ourselves in a situation where there are significant disparities between arrangements made with states and territories over the implementation of the new funding arrangements as outlined in the 2013 Act. The Coalition Government seems intent upon undermining the funding reforms through inconsistent dealings with the states and territories, and through its planned changes to the *Australian Education Act 2013*.<sup>5</sup>

The Abbott Government has again signalled plans to retreat from its earlier unambiguous commitment to Gonski and increased investment in education. Where Opposition Leader Tony Abbott promised that it was his ambition to “*fund schools ever more generously*”<sup>6</sup>, we now find Prime Minister Tony Abbott stating that while the Coalition will keep its pre-election commitments to maintain health spending and school spending, “*we must reduce the rate of spending growth in the longer term if debt is to be paid off and good schools and hospitals are to be sustainable.*”<sup>7</sup>

This fails the fundamental requirements of a long-term national commitment to additional needs-based funding for all students and schools to remedy the consequences of several decades of inequitable funding arrangements.

### ***Progress towards the Schooling Resource Standard***

The May 2013 Commonwealth budget allocated funding for the first four years of the six year transition period. This amounted to less than \$3 billion of the \$10 billion required from the Commonwealth to ensure the national goal of all schools meeting the SRS by 2019, with most of the additional funding to flow in the final two years.

Much of the initial funding was offset by the discontinuation of programs funded through national partnerships payments, consistent with the Gonski funding reform recommendation

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<sup>5</sup> Senate Hansard, Education and Employment Legislation Committee, 26 February 2014. pp82-85

<sup>6</sup> Opposition Leader Tony Abbott, Leaders’ Debate, Rooty Hill RSL, 28 August 2013

<sup>7</sup> Prime Minister Tony Abbott, Speech to Australia-Canada Economics Forum, 24 February 2014

of consolidating time-limited targeted programs, including equity-based programs such as the Literacy and Numeracy, the Low SES National Partnership and the Students with Disabilities National Partnership, into ongoing recurrent funding for schools.

This measure was central to achievement of the Schooling Resource Standard (SRS) over the long term through increased Federal and State investment strategically targeted to need and the states/territories meeting the conditions required for their share of the increased Federal investment.

In New South Wales and South Australia, new Gonski money is beginning to flow. New South Wales will have an extra \$153million in Gonski funding to schools in 2014; with the additional \$118 million to public schools distributed according to need. South Australia will have an extra \$16.6 million in Gonski funding to public schools, distributed according to student need.

The extra \$33 million for Victorian schools, of which public schools will receive \$23.7million (72%), is well below what was understood to be the terms of the agreement reached with the Commonwealth Government in August last year. While this represents progress towards funding reform, commitment to increased funding over the full six years is crucial to ensure that no students and schools are missing out on the promised benefits.

In the three jurisdictions which failed to enter into agreements with the Commonwealth prior to the election, the subsequent arrangements they made with the new government for additional funding have no protections against funding cuts or guarantees as to how the funding will be distributed.

Western Australia will have an extra \$31 million from the Abbott Government in 2014, but no additional funding has been committed to public students and schools. Cuts to schools by the Barnett Government in the current financial year already exceed \$150 million. 600 teaching positions (550 FTE) have been cut, 105 Aboriginal Islander Education Officer positions lost, and there has been a 30 per cent cut in the funding for schools to tackle literacy and numeracy problems, student behaviour and attendance. Despite record enrolments in schools, with 11,000 more students in 2014, teacher numbers have been capped at 2013 levels. Further cuts are not ruled out.

The Northern Territory will receive an extra \$68 million funding from the Abbott Government in 2014 but there has been no commitment to any additional funding for public schools. The NT Government is proceeding with cutting over 100 jobs in teaching and support staff, and will spend the Gonski money on new buildings and “other reforms”.

The additional \$131 million being delivered in Queensland this year will be allocated to schools through state-based arrangements under the general banner of ‘improving student performance’, rather than a need-based methodology as recommended by Gonski. As a result some Low SES National Partnership schools are losing funding and equity-based programs.

The current situation in Queensland over the timing and distribution of new funding, and the very short timeframes for schools to establish and implement programs for use of the funds,

is a cause of considerable concern to principals, teachers and school communities who would benefit from consultation and the time to develop programs known to be effective in delivering improvements to teaching and learning.

This highlights the significance of schools having the capacity to anticipate their future funding and their capacity to make long-term plans for effective educational programs. This was the precise intent of rolling funding from short-term initiatives such as the National Partnerships into increased recurrent funding over the long-term, which is key to sustainable improvements in the quality of teaching and learning in all schools across the country.

Tackling the educational challenges facing Australia – lifting our overall performance and tackling disadvantage and the growing tail of under-achievement - requires a genuine commitment to ensuring equity for all Australian students. This was promised by the Melbourne Declaration, and underpins the Gonski funding recommendations and reform architecture, the *Australian Education Act 2013* and the National Education Reform Agreement.

This cannot be achieved if the Abbott Government continues with its current approach of only funding increases for four years. This is a mere fraction of what is required to address the serious funding deficiencies and inequities for the long term.

Funding expert, Dr Jim McMorrow's analysis of the December 2013 Mid-Year Economic and Fiscal Outlook [MYEFO] Statement makes it very clear just what this means for public schools across the country. His analysis shows that:

- the range of indexation rates applying to different categories of schools and systems *adds complexity and creates uncertainty around the proposed funding arrangements*;
- the *real* increases (after inflation) in funding over the forward estimates period 2013/14 to 2016/17 are 16 per cent or \$790 million for public schools and 10 per cent or \$845 million for private schools;
- if funding is not continued beyond 2017, up to 20 per cent of public schools across the country will be operating below the SRS; the minimum to ensure that all schools receive the additional resources needed by their students;
- funding for public schools in 2016/17 is \$90 million lower than projected in the May 2013 budget while private school funding is \$34 million higher.<sup>8</sup>

The Abbott Government's first Budget in May is a critical test of whether it will make a longer term commitment to increased funding. The 2014 Budget will show whether there is

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<sup>8</sup> Dr Jim McMorrow, *What the Mid-Year Economic and Fiscal Outlook statement means for schools*, January 2014. Report commissioned by the AEU and available at <http://www.aeufederal.org.au/Publications/2014/McMorrowjan2014.pdf>



any allocation to honour the fifth year of funding arrangements for schools in the forward estimates. Failure to do so will leave a significant number of public schools across the country without an adequate level of resources, which is an unacceptable outcome for students, families and the future of the nation.

The Budget will also show what plans there are for federal funding in the three jurisdictions without signed six year agreements; the Northern Territory, Queensland and Western Australia.

If they fail to adequately fund schools in this budget, it will be in defiance of the body of national and international evidence which informed the Gonski Review, and which has continued to accumulate since that time. Evidence from measures of student and system performance such as TIMSS, PIRLS and the OECD's PISA 2012 all confirm the impact on student learning of significant resource shortages and gaps in and between Australian schools and sectors.

In the area of resource shortages, the gap between disadvantaged schools and advantaged schools in Australia is one of the largest in the 65 countries participating in PISA.<sup>9</sup> The TIMSS and PIRLS 2011 'Australian Highlights' report finds:

*More than half (57%) of Australian Year 4 students were reported to be 'somewhat affected' by resource shortages related to reading, 54 per cent by resource shortages related to mathematics and 68 per cent by resource shortages related to science. Forty-six per cent of the principals of Australian Year 8 students reported similar levels of shortages in mathematics and 52 per cent in science.*

*Students attending schools in which principals reported that there were no resource shortages scored significantly higher than students from schools where principals reported being 'somewhat affected' by shortages in Year 4 reading and mathematics and Year 9 mathematics. This trend was not found for science achievement.<sup>10</sup>*

ACER's analysis of the data highlights the variance in the impact of resource shortages, such as lack of educational materials, equipment, appropriately trained staff, and adequate facilities and physical infrastructure, on student performance:

*Students in disadvantaged schools were affected by general resource shortages to a greater extent than students in affluent schools.<sup>11</sup>*

PISA 2012 strongly reinforces the clear link between high performance and equitable allocation of resources across socio-economically advantaged and disadvantaged schools.

*Fairness in resource allocation is not only important for equity in education but it is also related to the performance of the schools system as a whole. PISA results show*

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<sup>9</sup> OECD, PISA 2012 Results: What Makes Schools Successful? Resources, Policies and Practices (Volume IV) 2013 <http://www.oecd.org/pisa/keyfindings/pisa-2012-results-volume-iv.htm>. p100

<sup>10</sup> Sue Thomson et al, 'Highlights from TIMSS and PIRLS 2011 from Australia's perspective', ACER December 2012 [http://www.acer.edu.au/documents/TIMSS-PIRLS\\_Australian-Highlights.pdf](http://www.acer.edu.au/documents/TIMSS-PIRLS_Australian-Highlights.pdf); p34

<sup>11</sup> Sue Thomson and Kylie Hillman, 'Snapshots: Global Assessment/Local Impact – Equity and Effectiveness', ACER February 2014. p3

*that school systems with high student performance in mathematics tend to allocate resources more equitably between advantaged and disadvantaged schools.*<sup>12</sup>

*In higher performing systems, principals in socio-economically advantaged and disadvantaged schools reported similar levels of quality of physical infrastructure and schools' educational resources, both across OECD countries and across all countries and economies participated in PISA 2012.*<sup>13</sup>

It would also be in line with community expectations, as evidenced through persistent community concerns about the under-resourcing of public education, and the massive popular support for the Gonski funding reforms. A recent UMR poll commissioned by the AEU found:

- 63 per cent support delivery of Gonski in full, even in a difficult budget climate.
- 75 per cent think an increase in funding for public schools is important.
- Only 11 per cent support the 'no strings' funding the Abbott Government has provided to WA, the NT and Qld, while 75 per cent believe this funding should be distributed to schools and students on the basis of need.
- 58 per cent are worried about the current levels of funding for public schools.
- While 80 per cent think it's important for the Prime Minister to keep his promises, 57 per cent don't trust him to keep the promises he has made on schools.
- The public scorecard for the Abbott Government on education is poor – 4 out of 10.<sup>14</sup>

Failure to deliver in this year's Budget will ensure that the location, background and circumstances of Australia's students, and the degree to which they are advantaged or disadvantaged, will continue to be overly influential on whether or not they can access and benefit from the level of educational provision enjoyed by the most privileged. Allowing inequity and inequality of opportunity between schools and sectors across the country to continue will only perpetuate Australia's failure to fully honour the spirit and intent of the Melbourne Declaration.

**Term of Reference 2: How funding arrangements will meet the needs of all schools and individual students, including Indigenous students, students with disability, small schools, remote schools, students with limited English, and students from socially and economically disadvantaged backgrounds.**

The Gonski recommendations were specifically designed to better meet the needs of all schools and students, through a common entitlement for all schools and students regardless of sector, with additional resources strategically targeted to need through loadings for the different elements of disadvantage. This is in sharp contrast to the former funding

<sup>12</sup> OECD, 'PISA 2012 Results in Focus', 2013 <http://www.oecd.org/pisa/keyfindings/pisa-2012-results-overview.pdf>. p27

<sup>13</sup> OECD, PISA 2012 Results: What Makes Schools Successful? Resources, Policies and Practices (Volume IV) 2013 <http://www.oecd.org/pisa/keyfindings/pisa-2012-results-volume-iv.htm>. P43

<sup>14</sup> Polling undertaken by the AEU in January 2014.

arrangements, which saw two-thirds of Commonwealth funding delivered to schools in the private sector by a discredited funding mechanism which did not adequately take account of the needs of individual schools and the students they serve and widened the achievement gaps between students, schools and sectors.

The critical need for addressing the situation of disadvantaged schools and students was the impetus for the equity-focussed Low SES and Literacy and Numeracy National Partnerships which targeted funding to need. These partnerships have produced some significant improvements in teaching and learning,<sup>15</sup> but they were limited by the fact that the funding was an ‘add on’ to recurrent funding for a limited time.

The loadings were designed to overcome the shortcomings of this approach, to ensure that for schools with disadvantaged students, particularly those with concentrations of disadvantage, would be provided with greater levels of ongoing funding sustained over the long-term. This would enable schools to plan for and provide much greater levels of support to meet their learning needs through proven measures which include:

- smaller class sizes for students who will benefit from them;
- ongoing access to appropriate levels of support from appropriately qualified personnel including specialist teachers and support staff, counsellors, and school/family/community liaison officers;
- for students with disabilities alone, this requires speech pathologists, occupational therapists, physiotherapists and nurses, to support individual students and teachers, as well as specialised equipment, modifications to teaching spaces and greater access for disabled students.

### ***Students with disabilities and special needs***

Australia’s approach to students with disabilities and special needs has long been marred by the significant inconsistencies in school funding policies and financial arrangements across the country which have led to marked variations in access and quality of education for these students. Many thousands of children, predominantly in public schools, have missed out on the support and assistance they require from the Federal and State/Territory governments and their education systems, in contravention of not only their individual rights but also the *Disability Discrimination Act* and the *DDA Education Standards*.

While attempts have been made to remedy this over the years through countless recommendations around the need for reform, progress has remained elusive. Gonski highlighted the need for urgent implementation of nationally consistent arrangements and major structural reform of funding for students with disabilities, through a genuinely national approach led by the Commonwealth.

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<sup>15</sup> Australian Government Department of Education, ‘Literacy and Numeracy National Partnership’. Available at <http://smarterschools.gov.au/literacy-and-numeracy>

It offered a way forward, through the inclusion of a new loading for students with disabilities as a key component of the SRS. Full implementation of the new needs-based Gonski funding measures, consistent with the *Australian Education Act 2013*, is a precondition of meeting student needs and effective compliance with the *DDA* and the *DDA Education Standards*. Ensuring the extra support needed for all children, including those with disabilities, to fully participate at school requires a commitment to long term sustainable resourcing and full funding over six years.

It is notable that in South Australia, negotiations over the distribution of the additional \$16.6 million of new funding under the agreement reached with the Commonwealth in 2013, has seen the allocation of \$2.8 million for 20 ongoing disability coordinator positions as a priority to meet the identified needs of students with disabilities in schools.

The Federal Coalition made a specific election commitment to better support for students with disabilities and special needs. It supported the interim loading for 2014 while a new 'loading' formula is developed for these students for 2015, promising to match Commonwealth funding committed by Labor to extend support for students with disabilities and to continue the national data collection process "*so that future funding for students with a disability can be based on each student's level of need.*"<sup>16</sup>

Work on nationally consistent data undertaken to date estimates that there are about 296,000 school students with disabilities across Australia, about 8.4% of all students, which is an increase of almost 120,000 on the number of students funded under existing arrangements, currently about 5 per cent, or 183,610 students.<sup>17</sup>

Education authorities estimate that the cost of funding a new per student disability loading in 2015, on the basis of meeting their needs, is likely to increase by 60 per cent next year, which translates to an estimated \$2 billion or more a year in extra funding from state and federal governments.

Information provided in Senate Estimates on 26 February suggests there is little likelihood of the Government delivering on its promise of extra funding for students with disabilities from the beginning of 2015 through the new loading based on actual need.<sup>18</sup> Given the long - promised and vital need for reform, it is incumbent on the Commonwealth to work collaboratively with the states and territories to find the overdue funding to adequately meet the needs of students with disabilities to ensure that they receive education on an equal footing with their peers.

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<sup>16</sup> *The Coalition's Policy for Schools: Students First*, August 2013; p6 <http://www.liberal.org.au/latest-news/2013/08/29/coalitions-policy-schools-putting-students-first>

<sup>17</sup> Productivity Commission, *Report on Government Services 2014*, Table 4A.31 'Funded students with disability, 2012'; <http://www.pc.gov.au/gsp/rogs/childcare-education-training>

<sup>18</sup> Senate Hansard, Education and Employment Legislation Committee, 26 February 2014. pp90-94

### ***Indigenous Education: ‘Closing the Gap’***

The most recent ‘Closing the Gap’ report further highlights the need for a national commitment to full implementation of funding reform in order to meet the imperatives of improving student achievement and school attendance rates for Indigenous students, particularly those in remote areas.

Developments such as Western Australia and the Northern Territory’s lack of commitment to funding reform, and the cuts to education in those jurisdictions that have led to the loss of hundreds of teaching and support staff positions, highlight the dangers of ‘no strings’ agreements which allow for a continuation of funding and policy frameworks which fail to meet the needs of all students. Cuts to programs that are working and job losses in Western Australia highlight the clear need for conditional funding.

Additional targeted funding, delivered through working with local communities to build programs in schools that support the learning and development of Aboriginal and Torres Strait Islander students, is what is required not coercion and force and a disregard for the impact of state/territory funding cuts on tackling disadvantage.

If the Prime Minister wants to achieve his urgent Indigenous Affairs priority of ending the gap between Indigenous and non-Indigenous school attendance within five years,<sup>19</sup> he must deliver on the Coalition’s election funding promise and work to secure fully-funded six year agreements in all states and territories.

### **Term of Reference 3: The Government’s proposed changes to the Australian Education Act 2013, related legislative instruments and their consequences.**

The Federal Coalition has made much of what it calls removing the ‘*heavy-hand of government from Canberra telling each state and territory how to run their school systems*’ and ending Canberra’s so-called prescriptive ‘*Command and Control regime*’ by amending the *Australian Education Act 2013* to ensure that the “adult governments” of states and territories have free rein over how they run their schooling systems.

Consistent with the wider Coalition agenda of ‘reducing regulation’ and ‘cutting red tape’ across all areas which it claims is key to the government’s micro-economic reform agenda and improving Australia’s productivity, Christopher Pyne confirmed their intention to “*reduce the current regulatory burden on schools and systems, consistent with our election commitment to reduce tape*” in a January 2014 letter.<sup>20</sup>

In real terms, than means overturning the Gonski funding reforms.

Christopher Pyne has brushed aside concerns about removing the requirement for states to commit to maintaining their own spending, with the comment that it would be “poor form” if

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<sup>19</sup> Prime Minister Abbott’s Statement to the House of Representatives - Closing the Gap Wednesday, 12 February 2014 <https://www.pm.gov.au/media/2014-02-12/statement-house-representatives-closing-gap>

<sup>20</sup> Correspondence from Minister Pyne to the AEU, 14 January 2014

states were to cut their own funding while receiving additional funding from the Commonwealth.<sup>21</sup> Yet since receiving this funding, Western Australia has not ruled out further cuts and no funds have yet reached WA or NT schools.

He has also said that he would like to see these agreements as the basis for a new formula across all states from 2015; i.e. removing the requirements for state/territory co-contribution, maintenance of funding effort and indexation, and distribution according to need from the agreements with the signed up jurisdictions. This would see Gonski totally unravelled.

Removing accountability measures would serve the further purpose of effectively removing requirements to monitor how well additional funding meets the effectiveness, efficiency and equity accountability requirements around the expenditure of public funding. It beggars belief for a government which purports to be a ‘superior economic manager’, and committed to budgetary restraint and efficiency in all areas of public expenditure, could legitimately contemplate such a move.

It is also entirely inconsistent to talk about allowing the states and territories to run their own systems in light of other commitments and actions by Christopher Pyne such as his unilateral decision to undertake a review of the Australian Curriculum. The curriculum has been developed by experts and jointly agreed by all Commonwealth and the State/Territory ministers. The Minister has been explicit about his plans to directly intervene on curriculum and pedagogy matters with a much more ‘Hands-On’ approach to what is taught, and how, through “*a back-to-basics approach to education*”.<sup>22</sup>

The much-needed Gonski reform objectives require sophisticated and coordinated approaches across the states and territories, and must be led by the Commonwealth. Making unilateral educational policy decisions at the Federal level, without genuine involvement of the states and territories in decision-making processes, compounded by the Government creating an illusion that it is leaving education policy decision up to the states and territories, is antithetical to effective reform which requires the collaboration and engagement of all parties.

#### **Term of Reference 4: The economic impacts of school education policy.**

The economic impacts of school education policy have been well established in the realms of evidence to other government inquiries, and the body of expert advice and empirical evidence which informed the Gonski Review and its final report.

Australia’s economic well-being, social cohesiveness and cultural prosperity now and into the future requires high levels of educational attainment for all our students. This will never be

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<sup>21</sup> Quoted in Michelle Grattan, ‘Abbott Gonski backflip puts the money back’ <https://theconversation.com/abbott-gonski-backflip-puts-the-money-back-21018>

<sup>22</sup> See for example: Daniel Hurst and Josephine Tovey, ‘Pyne: I will intervene in curriculum’, 28 September 2013; ‘New broom Pyne ready to reshape curriculum’ 28 September 2013; Daniel Hurst and Benjamin Preiss, ‘Pyne prepares to wield big stick on national curriculum authority’, The Age, 28 September 2013; Daniel Hurst, ‘Repeat after Pyne: chalk and talk’, Canberra Times 28 September 2013; Tim Dodd, ‘Sensible back-to-basics approach’, AFR, 28 September 2013; Joanna Mather, ‘Pyne wants to give power to teachers’, AFR, 28 September 2013

achieved while the resource differentials between individuals, schools and sectors, which fuel the growing gaps in achievement between Australia's more and less advantaged students continue.

Gonski's consideration of the economic arguments underpinning the need for additional investment in Australian schooling, better targeted to student need, concluded:

*Finally, these results are a warning that Australia cannot take for granted that we will forever have a productive workforce and a citizenry equipped to prosper in and contribute to the rest of the world as we do now. With increasingly intense global competition for innovative, creative and skilled people, Australia needs to work harder and more cleverly than ever to maintain a knowledge and skill base that can adapt to change and keep up with the world around us. Australia's declining educational performance internationally is something of which no Australian can be proud. Turning this around will require concerted effort and attention and will take time.*

*Above all, 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.<sup>23</sup>*

Since the release of the report, the body of influential studies affirming the validity of Gonski's conclusion, and the economic and social costs of failing to give every child the opportunity to succeed, has continued to grow.<sup>24</sup>

Notable is the increasing emphasis in World Bank and OECD publications and policy briefs<sup>25</sup> on the essential role of governments in creating education systems which address inequality. Investing in early, primary and secondary education for all, *in particular for children from disadvantaged backgrounds, is both fair and economically efficient.*<sup>26</sup>

*The evidence is conclusive: equity in education pays off. The highest performing education systems across OECD countries are those that combine high quality and equity. In such education systems, the vast majority of students can attain high level skills and knowledge that depend on their ability and drive, more than on their socio-economic background.*<sup>27</sup>

The OECD's *Education Policy Australia Outlook: Australia* (April 2013) outlines evidence from OECD countries and economies which shows *poor school performance by students*

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<sup>23</sup> Gonski Report, pp211-212

<sup>24</sup> See for example late 2012 PricewaterhouseCoopers economic analysis that the cost of failing to reform the nation's schooling system could see more than \$1 trillion lost to the economy by the end of the century with "knock on effects to health, innovation, civic engagement and crime rates." AEU Pre-Budget Submission January 2013

<sup>25</sup> PISA IN FOCUS No. 25: Are countries moving towards more equitable education systems?  
<http://www.oecd.org/pisa/pisainfocus/pisa%20in%20focus%20n25%20%28eng%29--FINAL.pdf>

<sup>26</sup> *Equity and Quality in Education – Supporting Disadvantaged Students and Schools* (February 2012)

<sup>27</sup> *ibid* p14

*from disadvantaged backgrounds is far from inevitable. If disadvantage deprives a student of access to the opportunities advantaged students enjoy, then these opportunities should be provided by the school system. All students should have the same opportunities to succeed in school, regardless of their backgrounds. On the basis of this evidence it notes that a major economic and educational challenge facing Australia is the need “to reduce inequities between students from different socio-economic and ethnic backgrounds by tackling system-level policies which hinder equity in education.”<sup>28</sup>*

Most recently, during her February 2014 visit to Australia to meet with economic leaders at the G20 meeting, Christine Lagarde, the Managing Director of the IMF, was closely questioned on the Abbott Government’s preoccupation with constraining overspending in areas such as social welfare, education and health. Madame Lagarde was emphatic on the importance of investing in education and health systems; specifically on the importance of economic equality and the role of education in promoting economic growth and employment:

*... investment in health, education, is absolutely necessary. And I hope we can talk at some stage about the role of inequality and how it impacts on growth. Clearly, investing in health, investing in education, making sure that there are equal opportunities for all is something where public money is needed. ... investing in health and education is a priority.*

*... rising inequality is not conducive to sustainable growth.”<sup>29</sup>*

**Term of Reference 5: The Government’s consideration of expert findings, research, public consultation and reports in the development and implementation of school policy, including the selection of experts to provide advice on education policy.**

Tony Abbott and Christopher Pyne’s mantra that there is no equity problem in Australian schooling and therefore no need for funding reform, is starkly at odds with the extensive research base about the inequality in Australian schooling driven by our inequitable funding arrangements.

Most recently, analysis of PISA 2012 shows, as summarised by the ACER’s Dr Sue Thomson:

*In terms of equity, Australia is not achieving its goal of providing all students with similar opportunities to benefit from education, regardless of their gender or background. Australia has slipped backwards to the type of gender disparity that was seen decades ago. PISA 2012 also shows that Indigenous students, rural students and students from low socioeconomic backgrounds are more likely to achieve at lower levels – and many face the double liability of coming from a disadvantaged background and attending a disadvantaged school.*

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<sup>28</sup> OECD, Education Policy Australia Outlook: Australia, April 2013. p6

<sup>29</sup> <http://www.abc.net.au/tv/ganda/txt/s3941811.htm> Q and A An Audience With Christine Lagarde Thursday 20 February, 2014



*Australia must strive to improve outcomes for all students – getting the lowest achievers up to an acceptable standard for a wealthy first-world country and extending the higher achievers to lead the country in terms of innovation and development. The goal is attainable, but research into what actually works in changing outcomes is essential. Improving quality and equity requires a long-term view and a broad perspective.*<sup>30</sup>

The extent to which government policy approaches to education policy are made without regard to the evidence **or** by reference to an evidence base which cannot be substantiated is not confined to the current Federal and State/Territory Governments and education policymakers. However the extent to which the Abbott Government's education policies either fly in the face of the evidence (e.g. there is no equity problem in Australian schooling and therefore no need for schools funding reform) or make misleading claims about an evidence base in support of the position in question (e.g. Christopher Pyne's claim that "all the international evidence on school autonomy" supports the Abbott Government's IPS agenda) is particularly significant.

Their approach to critics of their policies is one of denigration often accompanied by rhetoric about the domination of public discourse around education policy by the so-called 'cultural left'.

In consideration of this term of reference, it is timely to revisit the Gonski school funding review process which gave us the framework and the funding to tackle educational disadvantage and the inequity problem at the heart of our school system. It stands in stark contrast to the Abbott Government's approach to date.

The expert review panel was led by eminent businessman and philanthropist David Gonski AC, Chancellor of the University of NSW and chairman of the Australian Securities Exchange, Coca-Cola Amatil and Investec Bank, together with:

- Ken Boston AO, the former Director-General Department of Education and Training (NSW).
- Carmen Lawrence, former Federal Minister and Premier of WA and Director of the Centre for the Study of Social Change, School of Psychology, University of Western Australia.
- Kathryn Greiner AO, former Deputy Chancellor at Bond University and chairman of Australian Hearing.
- Bill Scales AO, Chancellor of Swinburne University of Technology, Chairman of the Port of Melbourne Corporation and a Board Member of the Veolia Australia Advisory Board.
- Peter Tannock AM, noted international educationalist and former Vice-Chancellor at University of Notre Dame Australia.

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<sup>30</sup> Dr Sue Thomson, 'Declining PISA outcomes: Time to stop the slide', ACER, 3 December 2013.  
<http://rd.acer.edu.au/article/declining-pisa-outcomes-time-to-stop-the-slide>

Their work was informed by a large body of national and international research including the OECD and extensive commissioned research undertaken by leading independent research organisations including the Australian Council for Educational Research, Deloitte Access Economics, The Allen Consulting Group, and a consortium led by The Nous Group, which includes the Melbourne Graduate School of Education at The University of Melbourne and the National Institute of Labour Studies at Flinders University. Additionally it engaged in one of the most extensive public consultation processes in our education history.

The case for urgent change has been made. It is time for the Coalition Government to deliver.