



Australian Education Union

Pre-Budget submission to the Department of Treasury on priorities for the 2016-17 Budget

February 2016

Correna Haythorpe
Federal President

Susan Hopgood
Federal Secretary

Australian Education Union
PO Box 1158
South Melbourne Vic 3205

Telephone: +61 (0)3 9693 1800
Facsimile: +61 (0)3 9693 1805
Web: www.aeufederal.org.au
E-mail: aeu@aeufederal.org.au

INTRODUCTION

The Australian Education Union (AEU) represents more than 190,000 educator members employed in the public primary, secondary, early childhood and TAFE sectors throughout Australia.

We welcome the opportunity to respond to the invitation from the Assistant Minister to the Treasurer to submit our views on priorities for the 2016-17 Budget.

We note the focus in the letter of invitation on the key measures of the Government's national plan for economic growth and jobs, including boosting innovation. It is unfortunate that the critical role of education and training does not receive a mention.

The current focus on innovation highlights the shortcomings in the Coalition Government's approach to education funding and policy. Prime Minister Turnbull's vision of an innovative, competitive and flexible nation will not become a reality unless all our students are assured of a high quality twenty-first century education. This in turn highlights the realities of under-funding and under-resourcing of our education sectors, from early childhood to the tertiary sector.

Schooling

For decades our schooling system has been characterised by inequity in terms of both funding arrangements and outcomes for students and schools. Our funding arrangements have fundamentally failed to take account of the actual needs of Australian schools and school students. This has contributed to a decline in the performance of Australian students compared to international benchmarks, and 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. Those most affected by these inequities are the most vulnerable and disadvantaged students — including those from low socio-economic and Indigenous backgrounds, those with disabilities and special needs, those with language difficulties, and those from remote locations — and the schools that serve them; predominantly schools in the public sector.

This is what the Gonski Review established and formed the basis of the funding model it proposed; lifting the achievement of all students by increased investment in schooling, and more effectively targeting disadvantage by implementing a base per-student funding level with additional needs-based loadings. In this way, schools would be funded to reduce the impact of aggregated social disadvantage and inequality on educational outcomes and close the achievement gap between students, schools and sectors.

The six-year Gonski agreements the previous Labor Federal Government signed with five States and Territories began in 2014 and were designed to bring schools up to an appropriate level of resources in six years. Over the two years that Gonski money has been flowing, with the largest increases targetted to schools where students' needs are greatest, schools in New

South Wales, Queensland and South Australia are reporting that the additional funding is making a significant difference. Schools are able to employ and utilise the expertise of specialist teachers and support staff more effectively; provide more effective professional development and training for all staff; develop and implement new literacy and numeracy programs; and to provide greater individual support to students both in and out of mainstream classrooms, including the early intervention support they need. There have been demonstrable improvements in student achievement, engagement and attendance, and increased confidence, morale and efficacy amongst teaching and support staff.

In New South Wales, where government schools have received an additional \$197 million in 2014 and 2015 through the Gonski Agreement signed between the NSW and Federal Governments, Education Minister Adrian Piccoli describes the results as “absolutely phenomenal”.¹ This is confirmed by information provided by schools across the state about the benefits that have accrued from their Gonski funding. Homebush Boys High School, for example, has received just under \$600,000 in additional funding to improve teaching and learning and provide extra resources to benefit its students, many of whom are recent arrivals to Australia. The school has engaged specialist staff in areas of high need, provided targeted training and professional development, and implemented a Teaching English Language Learners program. This has led to big improvements in English language skills, as well as a significant growth in NAPLAN scores, especially in reading and numeracy, with the school being identified as one of the top 50 high-gain schools in New South Wales.

Bennett Road Public School in western Sydney has used its Gonski funding to make real improvements in literacy through employing additional specialist staff, purchasing new resources, and employing a speech therapist with two support officers which has led to real improvements in literacy. Student performance has lifted, with the school’s 2015 NAPLAN results for Year 3s showed marked improvement in all aspects of literacy, with writing lifting 60 points and moving close to the NSW State average. At St Johns Park High School, where 91 per cent of the 1,000 or so students are from a non-English speaking background, and more than 80 per cent are from lowest SES quartiles, Gonski funding has allowed the employment of specialist staff and a raft of new programs and resources. The school has been able to invest in student leadership and programs to increase confidence and resilience, which is especially important for low-SES students, and the increased confidence flows into their academic results. The school has seen a lift in retention to Year 12 from 79 per cent to 91 per cent as one measure of success.

In Queensland, where schools have been seeing additional Gonski funding invested in schools through the Great Results Guarantee and Investing for Success (I4S) initiatives, similar results are being achieved. Kedron State High School, for example, which has a strong multicultural mix of students, has received an additional \$1.3 million in 2014 and 2015. It has focussed on whole school Literacy and Numeracy strategies for all students, both

¹ <http://www.theaustralian.com.au/news/nsw-nats-restore-funding-for-gonski-school-reforms/news-story/1a70683a6146202e75a6bbcccc72a4f1>

mainstream and particularly those with specific learning difficulties, including employing additional staff to support students of greatest need and providing more intensive and effective professional development for all staff. This has generated a high level of engagement from both teachers and students, and impressive results such as its NAPLAN data showing relative gains in Years 7 and 9 for reading and numeracy for the vast majority of students, in particular for students identified as below National Minimum Standards.²

Minimbah State School, which has a high number of low SES students, has received just under half a million dollars in 2014 and 2015. It has focussed on improving literacy and numeracy outcomes through strategies such as improved literacy training and resources for all staff, more focussed professional development and providing greater Occupational and Speech Therapy services and support, and linking with tertiary institutions and specialists to implement programs in Early Years Education, Occupational Therapy, Speech Pathology, Hearing and Vision Difficulties. Results include between nine months and two years of progress in reading for students in Prep to Year 3 within six months of introducing a new literacy program specifically targeting reading, with the greatest improvement in Years 1 and 2.³ All this is at serious risk with the Coalition Government's decision to renege on its 2013 election commitments as reflected in its first and second budgets: the failure to honour the six-year Gonski funding agreements; the abandonment of the fifth and sixth years of Gonski, the years in which two-thirds of the increased funding for schools was to be delivered; the failure to deliver funding for the Gonski disability loading; drastically cutting the level of indexation of school funding beyond 2016-2017; and the failure to even require State and Territory Governments to spend the Gonski funding on schools.

This represents a significant reduction in funding to schools in 2018 and 2019, in the order of several billion,⁴ and it is public schools which will be affected the most severely. Because the Gonski funding was targeted to the actual needs of students, they were due to receive over 80 per cent of the new additional funding. And it is the disadvantaged students who are concentrated in our public schools who will be the biggest losers of the resourcing cuts if the Turnbull Coalition Government continues with its plans to negotiate a new four year funding deal with the states and territories to take effect from 2018.

Not only will students miss out on the last two years of Gonski funding agreements but they will face the prospect of cuts to Federal funding to schools in the majority of States. NSW, Queensland, Victoria, the Northern Territory and Tasmania will all receive less if all States are to be given a flat rate of funding. If funding to schools is set at a fixed percentage for each state, this will mean no public school will be funded according to the needs of its students from 2018. Additionally, plans to implement separate funding arrangements for public and

² See <https://kedronshs.eq.edu.au/Supportandresources/Formsanddocuments/Documents/kedronshs-grg-snapshot-review-2014.pdf>

³ See

<https://minimbahss.eq.edu.au/Supportandresources/Formsanddocuments/Documents/Great%20Results%20Guarantee%20-%20NCR%20-%20Minimbah%20SS.PDF>

⁴ Costed by the Parliamentary Budget Office at \$4.5 billion, according to the ALP.

private school systems will inevitably compound disadvantage for students and the schools that serve them.

Despite all the Coalition's talk of 'record levels of spending' education has not been a priority in the 2014-15 and 2015-16 Budgets, and Australia's expenditure on education as a proportion of GDP in real terms has been substantially lower than the OECD average, with the level of government spending on public schools also remaining below the OECD average.

Their arguments that schools funding has increased significantly in real terms over the last decade without any improvement in educational outcomes, and specifically with regard to Gonski that "despite all the investment funnelled into schools through Gonski funding over the past years we haven't necessarily seen improved educational outcomes",⁵ do not stand up to close scrutiny.

Economic analysis of the ten year claim shows that, after adjustment for inflation, total government funding for schools increased by only 0.57 per cent a year between the budget periods 2003-04 and 2012-13; with the increase for private schools, who enrol less than 20 per cent of disadvantaged students, being double that for public schools.⁶

Further, the Coalition's argument does not take into account that, as pointed out by Dr Michele Bruniges, the Secretary of the NSW Department of Education from economic analysis undertaken by her Department, the levels of education spending in 2013 are necessarily higher than in 2000 "because the inputs involved in education cost more and there were more students to educate. In real terms over this period, the tangible resources available to students grew by less than the overall economy."⁷

If the Turnbull Government is serious about breaking the link between social disadvantage and poor school outcomes, and closing the resource and attainment gaps between schools, the 2016-17 Budget must honour the last two years of agreements with the States and allow the improvements which are being delivered to flourish and expand.

Failure to do so will put Australia even further out of step with global institutions such as the OECD, the World Bank and the IMF, which have all taken a strong line on the negative economic and social consequences of growing inequality and the crucial role of education in promoting economic growth and employment. They increasingly emphasise the essential role of governments in creating education systems which address inequality and investing in quality education for all, in particular for children from disadvantaged backgrounds, and the

⁵Federal Education Minister Simon Birmingham quoted in Eryk Bagshaw, 'NSW Education Minister Adrian Piccoli blasts new federal minister on Gonski comments', Sydney Morning Herald, 3 February 2016

⁶ Analysis by economist Trevor Cobbold, available at <http://www.saveourschools.com.au/funding/labors-gonski-promise-puts-the-heat-on-turnbull>

⁷ Dr Michele Bruniges, Speech to Australian Education Union World Teachers' Day lunch, 30 October 2015. Available at <http://www.dec.nsw.gov.au/documents/15060385/15385042/World%20Teachers%20Day%202015.pdf>

substantial economic and social costs of failing to give every child and young person the opportunity to succeed.

In terms of innovation alone, failing to boost investment in education and training, including investment to address underachievement in STEM [Science, Technology, Engineering, and Mathematics] and redress the inadequate supply of qualified maths and science teachers, will see many schools denied the resources needed to ensure all their students reach their potential, regardless of their circumstances and background.

Currently around 40 per cent of Australia's Years 7 to 10 mathematics classes are taught without a qualified mathematics teacher. One third (32 per cent) of secondary students are in schools where principals report that a lack of qualified maths teachers hinders learning; 25 per cent where a lack of qualified science teachers hinders learning. This is consistent with the OECD's PISA 2012 results which show that 20% of Australian students failed to reach international minimum standards in maths, leaving them in danger of leaving school without the basic skills necessary to get a job; that students from disadvantaged schools were two-and-a-half years behind the rest of Australia in maths and science, a bigger gap than the global average.

The 2016-2017 Budget must show an understanding that achieving equity and improving outcomes across the entire education sector requires increased levels of investment accompanied by targeting resources to where they are needed most.

Funding for students with disabilities and special needs

The abandonment of the last two years of needs-based Gonski funding agreements, and the Coalition's failure to honour its promises to extend disability funding to meet the real needs of all students with disabilities in 2015 and again in 2016, have ensured that funding for students with disabilities remains in crisis across Australia —with overwhelming evidence of a huge unmet need.

This has been further compounded by the Government's failure to adequately address the funding challenges associated with the size of the unmet need. A number of sources show that the proportion of students with disability in schools is significantly higher than the number of students funded, and almost twice as high in government schools than in non-government schools.

The Nationally Consistent Collection of Data for disability for 2015 found that 12.5 per cent of students need "supplementary, substantial or extensive support", whereas only 5.3 per cent of students with disability currently receive funded support.⁸ This is consistent with data collection from previous years, and Australian Bureau of Statistics data which shows that half of all students with disability (127,000 students) are not receiving funded support at school.

⁸ This figure has been confirmed most recently by the newly released Productivity Commission Report on Government Services 2015. Released 4 February 2016.

Clearly the issue is one of governments failing to act, not the lack of evidence of a huge unmet need in disability education. Properly funding students with disability is critical for ensuring that schools can meet the needs of all their students. It is crucial that the 2016-17 Budget shows the Coalition's intention to progress the long-delayed funding to which students with disability are entitled.

Indigenous Education

The abandonment of the Gonski funding agreements after 2017 would be a particularly bitter blow to Indigenous education. There had been cause for hope that the long-standing gap in access and outcomes between Indigenous and non-Indigenous students would go at least some way to being closed with the implementation of the Gonski needs-based funding reforms. There is no chance of closing those gaps without closing the gaps in resources between schools by moving to permanent needs-based resourcing of the schools Indigenous students attend and ensuring needs-based funding measures in all states and territories. Too many Indigenous students are attending schools that fail to meet minimum resource standards, especially those in remote areas.

'Closing the Gap' will remain largely unattainable until a complex range of deeply entrenched geographical, cultural and socio-economic factors are addressed. This cannot be achieved in a political environment where actions by Federal, State and Territory governments undermine and diminish their responsibility for the provision of long-term sustainable public services.

Further, the Government's broken promise of substantially increased funding for students with disability from 2015 has disproportionately impacted on Indigenous students, given the higher rates of disability in young Indigenous people compared to their non-Indigenous peers.

Equity for disadvantaged students cannot be achieved unless a high priority is given to addressing the achievement gaps which confront ATSI children, and adequately funding students on the basis of need. It is critical that the 2016-2017 Budget shows a tangible commitment to working with Indigenous communities to improve access to education services for Indigenous children and lift school attendance, which is a vital step on the road to improving educational outcomes for Indigenous students and closing the gap between them and their non-Indigenous peers.

Early Childhood Education

As in other areas of education, the need for long-term stable and sustained Early Childhood Education funding is paramount. The Coalition Government has been reluctant to make a long-term commitment to the delivery of 15 hours of early childhood education funding through the Universal Access to Early Childhood Education program. Rather it has twice announced extensions of funding for limited periods of time.

Currently there is no certainty of funding beyond 2017 for the continuation of reforms designed to redress the fact that by contrast with a number of other OECD countries, Australia's provision has been relatively poor historically, particularly for the most disadvantaged. States and Territories have made it clear that they will be unable to continue their commitment to full delivery of the reforms without ongoing investment by the Commonwealth.

The development and implementation of the reforms was informed by a strong body of evidence on the importance of quality programs in the early childhood years to a child's educational and social development, with flow-on benefits to better health, education and employment outcomes later in life, and the long-term disadvantage for children without access to quality early childhood programs. In addition to the significant short and long term individual benefits for children, and for families, there are long-term cost-benefits associated with investment in the provision of universal access to quality early childhood education that will pay huge dividends for all of us in the future.

In Australia this was confirmed by the Productivity Commission Inquiry into Childcare and Early Years Learning which was commissioned by the Abbott Government. It recommended that the Federal Government should continue to provide funding to the states and territories for the continuation of universal access to a preschool program of 15 hours per week for 40 weeks in the year before schooling.

We urge the Treasurer and the Government to make a genuine commitment to maintaining its funding share over the long-term in this Budget. Failure to continue these reforms and progress towards a universal, affordable and equitable ECEC system focussed predominantly on children and their needs has significant consequences for access and equity, particularly for disadvantaged children and significant numbers of Indigenous children. It would be an extremely retrograde step for children and families in Australia and for our society and economy into the future.

TAFE

Cuts to TAFE funding in previous budgets and the diversion of the delivery and funding of vocational education away from TAFE institutions to private for-profit providers have created significant access, quality and equity issues for the TAFE sector and systematically undermined its capacity to deliver quality programs to a broad range of students. It has resulted in significant increases in student fees and many TAFE courses becoming so expensive that they are out of the reach of many people in the community. Those who are hardest hit by Budget cuts and increasing privatisation, and the access, equity and quality issues which arise, include those with the highest needs; working class students, retrenched and displaced workers, unemployed people, those from disadvantaged backgrounds, students with disabilities, and Aboriginal and Torres Strait Islander communities.

The regulatory system has been unable to keep pace with the rapid growth of the private sector within VET, with more than half of the private for-profit providers delivering training

across the country in receipt of government funding. There is no guarantee of the quality of the training they provide, as the almost daily reports of private providers rorting the system, and putting profit ahead of service delivery show. In addition, there are increasing concerns that significant amounts of public vocational education funding are going into industry areas where there are few employment prospects rather than into areas of growth, or those experiencing skill shortages.

The current policy of funding private providers through VET FEE HELP has been shown to be a serious public policy failure, allowing unscrupulous operators to make profit from public funds without delivering the quality vocational education students have a right to expect, and wasting billions of dollars of government funding. The VET FEE HELP bill is likely to be almost \$3 billion in 2015, representing an unsustainable drain on the budget, and consigning many of Australia's most vulnerable young people to decades of debt. This has led to a serious undermining of trust in the quality of courses and training, and employers' trust in the skills they can expect from young people entering the labour market.

Federal, State and Territory governments have billions of dollars invested in TAFE, which remains a vital social and community asset, which as a nation we cannot afford to squander. TAFE has benefited millions of Australians, and is vital to the economic and social future of many regional and rural areas.

If the Turnbull Government is serious about its national plan for the future of the economy and our workforce, for economic growth, jobs and boosting innovation, it must provide secure, sustainable funding for TAFE in order for it to continue its important role in providing quality vocational education and training for millions of Australians each year. TAFE must be guaranteed a minimum 70 per cent of government VET funding, and a cap of 30 per cent must be implemented on the amount of government funding allocated contestably. Further, in light of the Government's stated commitment to budgetary restraint and responsibility in the expenditure of public funds, the unsustainable and discredited FEE HELP scheme must be suspended until there has been a thorough inquiry into its operation.