

Mitchell Institute

Submission to Senate Inquiry on the Australian Education Amendment Bill



Matching investment to opportunity

Mitchell Institute submission to the Senate Education and Employment Legislation Committee's Inquiry on the Australian Education Amendment Bill

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Stephen Palethorpe
Secretary
Senate Standing Committee on Education and Employment
Parliament House
Canberra

Dear Stephen Palethorpe,

Inquiry into the Australian Education Amendment Bill 2017

Thank you for the invitation to make a submission on the Australian Education Amendment Bill 2017.

The Mitchell Institute is an education policy think tank at Victoria University working to improve the connection between evidence and policy reform from early childhood education through to tertiary education. We actively promote the principle that high-quality education and training is fundamental to individual wellbeing and to a prosperous and successful society.

Our goal is an education system that equips all young people to be creative, entrepreneurial, resilient and capable learners. We believe that a key role of government is to create conditions within which everyone can live a life they value and develop the capability to fully participate as a member of Australian society.

The Mitchell Institute is working actively with communities, governments and institutions to build an education system that is oriented towards the future, creates pathways for individual success, and meets the needs of a globalised economy. We put emerging policy issues at the heart of our research agenda and promote sustainable policy changes that address Australia's most challenging education issues.

We do this through evidence-based inquiry, public debate and the development of practical, workable change at both the local and system-wide levels.

Our landmark report found that too many young Australians are missing key educational milestones. More can and should be done to enhance the operation of our education system, match investments to where needs are greatest, to equip all students with the skills and capabilities to thrive in and after school.

To this end we have prepared a short and focused submission with two sections:

1. Elements of the Bill we welcome and how they could be enhanced
2. Elements of the Bill we feel could be further improved, with recommendations.

We are most happy to provide further information and wish the Committee and Parliament well in its consideration of this important Bill.

Megan O'Connell, Acting Director
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The Australian Education Act, responding to the Gonski Review of School Funding, was a major advance on previous school funding arrangements that sought to improve equity and promote excellence in Australia's schools. However, this Act, and the agreements that accompanied it, had a number of weaknesses and shortcomings, which this amendment bill has the potential to remedy.

We are encouraged by the following elements in the Bill:

- Transitioning all Australian schools much more quickly to the Schooling Resource Standard (SRS), by better targeting Commonwealth funding to where relative educational needs are greatest and thus where it could achieve far greater educational impact. This investment impact could be further enhanced by channeling greater funding to schools with the lowest Index of Community Socio-Educational Advantage (ICSEA) scores, where family and community level barriers to educational attainment are greatest, but which, if additional resources are spent on well-designed interventions, such barriers could be reduced.
- The removal of 'system weighted' SES scores, and the Minister's provision, in writing, of a single SES score to each nongovernment school. This change enhances the transparency of Commonwealth funding allocations for nongovernment schools and the accountability of nongovernment school systems, and has potential to improve needs-based funding allocations made by system authorities.
- The replacement of a single formula for the disability loading, with three formulas, reflecting different levels of costs to schools for providing education to students with different needs.
- Changing the descriptor for one of the needs-based funding loadings, from *low socioeconomic status student loading* to *socioeconomic disadvantage loading*, which more accurately describes the loading, which is based on the socioeconomic disadvantage of the school.
 - We further recommend that this loading be spread amongst fewer, but needier schools, rather than spread amongst half of all the schools in Australia, which limits the effectiveness of the loading in achieving its objectives.
- Improving transparency, in accordance with recommendations of the 2011 *Review of Funding for Schooling* chaired by David Gonski, to promote accountability, the spread of best practices and programs, and avoidance of poor programs, contributing to improved educational outcomes through the 'policy laboratory effect'.
- Fewer Commonwealth accountability conditions and spending requirements for schools and school system authorities (including the abolition of school improvement frameworks and implementation plans that previously needed to be submitted to the Commonwealth, and which replicated local and system level accountability and quality measures). We further welcome the indication in the Bill that any such conditions will be determined intergovernmentally through the Education Council. For example, Part 3 of the Bill which will require the Minister to consult with, and have regard to, the Ministerial Council for Education prior to making regulations that affect ongoing policy or funding requirements that impact on state and territory governments. This improvement appears to respond to the recommendation of the 2011 *Review of Funding for Schools* that the Commonwealth works in partnership with the States and Territories.
- Greater attention to *how* funding is spent within systems and within schools, to be informed by the recommendations of *The Review to Achieve Educational Excellence in Australian Schools* ("Gonski 2.0"). However, we urge that once this report delivers its findings, that the Commonwealth does not seek to impose particular reforms or programs on schools or systems. Research in Australia and in other federations suggests that schools and systems are far better placed than federal governments to ascertain the needs of their students in their contexts, and then to design, implement and evaluate cohesive improvement strategies that best meet these needs. Additionally, the Commonwealth has limited capacity to assess the degree of compliance, or to investigate and intervene.

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It would, however, be appropriate and helpful for the Commonwealth to support and to lead the development of an independent, intergovernmental institute to grow and disseminate a national education evidence base on the policies, programs and practices in Australian schools and early childhood education and care services which work best, and the circumstances (where, when, for whom) they work best. This evidence base should be accessible to school leaders, systems, researchers, teachers and parents across Australia and internationally. This recommendation was previously made by the Mitchell Institute to the Productivity Commission's National Education Evidence Base Inquiry, and we encourage Committee members and others interested to read our submission (#31) for a deeper exploration of the importance of this and how it could be done.

Elements of the Bill that could be further improved:

- Greater clarity is needed on funding to nongovernment schools.
 - The Bill states in multiple places that the Commonwealth funding share for a nongovernment school is set at 80 per cent of the base amount (which might be only 10% of the Student Resource Standard) and loadings. E.g. The Bill states that the *base amount* for a school for a year reflects: a) the number of students at the school for the year; b) the SES funding amount for the year for a student at the school; and c) *the capacity of the school's community to contribute financially to the school*. (This capacity to contribute applies only to nongovernment schools and is calculated using the Socio Economic Status Model). In addition, six loadings are also provided to schools. The base amount and most of the loadings are worked out with reference to an amount per student called the SRS (Schooling Resource Standard) amount. This is made most clear in Part 3, Section 31 which explains that nongovernment schools with a greater capacity to contribute receive a smaller proportion of the SRS as their base amount, and in the table in Section 36, Subsection 54(3).
 - However, this appears at odds with public statements made by the Minister, and the Australian Government Fact Sheet '[New fairer school funding from 2018](#)' which states that:

We will transition all schools to consistent Commonwealth shares of the Schooling Resource Standard by increasing Commonwealth funding:

 - from an average of 17.0 per cent of the Schooling Resource Standard for government schools in 2017 to 20 per cent in 2027, reflecting the Commonwealth's role as the minority public funder of this sector.
 - from an average of 76.8 per cent in 2017 for non-government schools to 80 per cent in 2027, reflecting the Commonwealth's role as the primary public funder of this sector.

It needs to be clear whether nongovernment schools will be receiving 80 per cent of the SRS from the Commonwealth, or between 10% and 80% of the SRS depending on their estimated capacity to contribute.
- Updating the SES scores for nongovernment schools is a step in the right direction. However, a much more responsive measure that accurately reflects the educational needs of the students enrolled at a particular school is needed. Using census data on the student's neighbourhood is inappropriate due to shifts in neighbourhood composition between censuses, and because a student's neighbourhood is not necessarily an accurate reflection of the learning needs of that student, nor of the composite needs of that student's school.
- Review the evidence base and assumptions of the School Resource Standard amount to ensure it is still the best formula and based on best available data.

Conclusion

With these amendments so described, we feel this Bill could better match Commonwealth's school funding investment to educational need and enhance educational impact and opportunity. We further note that schooling is one of several vital elements of Australia's education system. To maximize the benefits of these reforms, complementary reforms are needed to early childhood education, tertiary education and vocational education, to match investment to opportunity, informed by evidence, as part of a cohesive education system.