



everyone's family

Senate Select Committee on School Funding

Submission

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The Smith Family welcomes the opportunity to provide this brief submission to the Senate Select Committee on School Funding. This submission will focus on Terms of Reference (b), (c) and (d).

Introduction

The Smith Family

The Smith Family is a national charity which has provided support to children, young people and families for over 90 years. Our mission is to create opportunities for young Australians in need, by providing long-term support for their participation in education.

In 2012-13 our programs were delivered in 96 communities across all States and Territories and supported over 112,000 disadvantaged children, young people and their families. This includes over 11,000 from Aboriginal and Torres Strait Islander backgrounds.

Our work focuses on improving three key long term outcomes for the young people we support, namely:

- Increasing school attendance.
- Increasing the proportion of Year 10 students who advance to Year 12 or equivalent.
- Increasing the proportion of young people in post-school education, training and/or work.

These outcomes align with the Council of Australian Governments' (COAG) educational goals, which are in turn informed by research showing the importance of these outcomes for the long-term wellbeing of individuals and the nation as a whole.

The Smith Family has consistently advocated for needs based school funding over a number of years, including through the Senate's Inquiry into the *Australian Education Bill 2012*.

The rationale for needs based school funding

Education is the key to Australia's economic and social prosperity

The key to Australia's economic and social prosperity is a well educated population. As the Productivity Commission (2012) has noted:

A well-performing schooling system is fundamental to Australia's future....It is essential to foster the skills, innovativeness and adaptability needed to prosper in competitive global markets and to encourage more people to enter and remain in the workforce. Just as importantly, a well performing schooling system can promote equality of opportunity, facilitate a cohesive and inclusive society, and provide personal enrichment for individuals.¹

More specifically, research by the National Centre for Vocational Education (2014) has indicated that increasing education levels:

- are contributing to improved productivity of the order of 0.14% per annum between 1997 and 2009, and
- have had a sizeable impact on the hours worked by the Australian workforce. This effect was almost entirely due to increases in the number of women with degrees and postgraduate qualifications.

They concluded that increasing levels of education have contributed to economic growth, through both a productivity effect and participation effect.²

Educational data showing Australia's economic prosperity is at risk

However, national and international data also confirms that Australia faces significant human capital challenges, placing its international economic competitiveness and social cohesion at risk. This is particularly problematic given Australia's population is ageing, other nations are developing increasingly skilled workforces, and there is a clear short and long-term imperative to strengthen our economy. It is therefore critical that all young Australians are able to fully develop the skills needed to participate in the highly skilled workplaces of the twenty first century.

Data highlighting the educational challenges facing Australia include:

- Australia's average reading score for Year 4 students is significantly lower than the average score for 21 other OECD countries, including England and the United States (COAG Reform Council, 2013).³

¹ Productivity Commission (2012) *Schools workforce*. Productivity Commission Research report, Melbourne.

² Karmel T (2014) *The contribution of education to economic growth in Australia, 1997-2009*. NCVER.

³ COAG Reform Council (2013) *Education in Australia 2012: Five years of performance*. COAG Reform Council

- There is a 20 percent difference in the proportion of young people from low socio-economic backgrounds and those from high socio-economic backgrounds who attain Year 12 or equivalent (73.7% compared with 93.2%), and only 54 percent of Indigenous young Australians complete Year 12 or equivalent (COAG Reform Council, 2013).
- Two in five 17 to 24 year olds from low socio-economic backgrounds are not fully engaged in work or study (COAG Reform Council, 2013).

The importance of needs based funding

The Smith Family has strongly supported the allocation of school funding based on student need, given the above evidence that many young people are not achieving key educational and employment outcomes. The Smith Family supports the recognition in funding of the educational disadvantage associated with a student having a disability, being an Aboriginal or Torres Strait Islander, being of low socioeconomic status and/or not being proficient in English. The Smith Family also endorses the inclusion of the size and location of a student's school as part of a needs based funding approach, as all of these factors have been shown to be associated with the increased likelihood of poorer educational outcomes.

Educational reform as well as funding reform

Alongside of funding reform, The Smith Family continues to advocate for educational reform, as a key contributor to improving the educational outcomes of disadvantaged young people. Improving the basis for allocation is unquestionably a necessary step in improving educational outcomes, but by itself it will not achieve this outcome.

School funding resources must be used to best effect by implementing appropriate interventions, supports and pedagogies that are responsive to student circumstances and needs. Systemic changes are also needed to support effective models that link community services to school to address non-vocational barriers to attendance, support catch-up learning and offer the range of support required to improve educational outcomes. The current fragmented array of programs across jurisdictions and portfolios require consolidation to improve educational outcomes and provide efficiencies to government. Effective local innovative models, including those which involve partnerships between schools and community organisations, also need to be better resourced and systemically replicated.

The Australian Education Act 2013

With regards to the Committee's Terms of Reference (c), The Smith Family has noted some commentary from the Government that they will seek to amend the *Australian Education Act 2013*, but we are not aware at this point in time of the specifics of this proposal. The Smith Family would anticipate that should the Government seek to amend the Act, there would be a public consultation process on the changes and we would seek to contribute to that process when the specifics of the proposed changes were clear.

With regards to the existing Bill, aside from our support of needs based funding which is articulated in the Bill, we also strongly endorse its commitment to a high quality and high equity schooling system. Further, we have welcomed the acknowledgement in the Bill of the partnership role non-government and community organisations play in improving young people's educational outcomes.

The Commonwealth's role in education

There has been recent debate regarding the appropriate role the Commonwealth should play in education, and schools in particular. Given the critical role education plays in the wellbeing not only of individual Australians but the nation as a whole, The Smith Family considers the Commonwealth has a key role to play, in conjunction with the States and Territories, in both improving educational outcomes for all young people, and providing leadership to ensure disadvantaged children and young people are able to realise their full potential.⁴

It remains a significant concern that while education funding has increased over the past two decades, there have been limited returns in terms of improved educational outcomes. This has been exacerbated by the lack of evaluation of many funded programs, including those funded by Government, with knowledge on what is effective in improving educational outcomes more limited than is desirable, particularly given the significant investment.

The Smith Family therefore urges the Commonwealth to take a leadership role in monitoring and publicly reporting on educational outcomes across the nation, including for different groups of students, such as those from Aboriginal and Torres Strait Islander backgrounds or those from low socio-economic backgrounds.

⁴ While constitutionally state and territory governments have responsibility for school education, there are a number of constitutional powers that enable the Commonwealth to enter the education arena and give it significant control. Section 96 for example provides that 'the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit' (Parliament of Australia, 2013).

We also see the Commonwealth as best placed to play a leadership role in identifying successful initiatives and approaches that improve educational outcomes and for sharing that knowledge. In combination, these would contribute to more effective and efficient program delivery and better use of limited resources.

We believe that the Commonwealth can fulfil these important roles without adding unnecessary red tape to the operations of state/territory education departments or schools themselves. If the Commonwealth does not undertake these important roles there will be a lack of transparency regarding the educational outcomes of young people, particularly those from disadvantaged backgrounds, and limited financial resources are likely to be poorly spent, resulting in both a lack of effectiveness and inefficiencies.

The Smith Family would be happy to expand on any of the issues raised in this submission.