



## **SENATOR THE HON SIMON BIRMINGHAM**

Minister for Education and Training  
Senator for South Australia

### **TRANSCRIPT**

#### **E&OE TRANSCRIPT**

**Address to the Independent Schools Council of Australia (ISCA) & Assoc of Heads of Independent Schools of Australia (AHISA) National Education Forum – Schools education policy, state and territory schools funding and the role of the independent school sector**

**15/03/2016**

**Simon Birmingham:** Thank you, thank you so very much for that welcome. Ladies and gentlemen it is wonderful to be here with you all. Can I commence by acknowledging Mr Warwick Dean, the Chair of Independent Schools Council of Australia and Headmaster of Hutchins School, to Mrs Karen Spiller, the Chair of the Association of Heads of Independent Schools of Australia and principal of St Aidan's Anglican School, to all those leaders of education down here today, particularly if they're still present. Some of my prior speakers, to Professor Ian Chubb, our former chief scientist who I hear gave a wonderfully and typically, if I may say, provocative address this morning, and to Chris Richardson, one of the nation's leading economists, Professor John Hattie, the Chair of AITSL, and may I also acknowledge the traditional owners of the land on which we meet the Ngunnawal and the Ngambri peoples of the Canberra region. And as the nation's Education Minister, I particularly acknowledge all of Australia's Indigenous people whose knowledge we continue to learn more of, to learn more from, and of course build upon as a nation.

It's a pleasure to be here with you all today and discuss the future of education in Australia and the key role that the independent school sector plays in securing a world-class education for our young people. The Prime Minister sends his sincere apologies for not being able to be here today, but I hope and trust that I will be able to be flexible and agile enough to be his replacement.

I've already had the pleasure of addressing the recent fora of Independent Schools Queensland and New South Wales, and to have meetings with a number of representatives from your different bodies, with more scheduled in the future. So I am certainly and hopefully beginning to well-understand your sector, even if myself I'm a proud product of the public school system.

A few weeks back, I got home from Canberra on a Friday morning, as I often do. We got home just in time to take my five-year-old daughter to school. On the way to school Matilda said to me, daddy after school today can we go to the moon? I said, well Matilda it's not very easy to get to the moon; the moon's a long long way away. I

know it's a long way away dad, but can we go to the moon anyway? I said well you need a rocket ship to get to the moon. Well, after school today can we go and get a rocket ship and go to the moon? Rocket ships are very complex, they're very expensive and we don't have a rocket ship. Can't we just go and buy one? I said Matilda they're very expensive, rocket ships; I'm not sure mummy and daddy have got enough money to buy a rocket ship. Daddy you'll just have to work harder was the reply I got. I tell this story not only for a laugh but because it speaks to some of the values and interests we want to instil in our students, the value that reward comes from effort and hard work, further that it aligns so well with our government's Innovation Agenda. Matilda's curiosity, her interest in the unknown, her interest, although she would of course be unable to put it in this way, in the links to science and engineering that come from that story. These are all aspects of our \$1.1 billion National Innovation and Science Agenda that seeks to take that natural inherent curiosity in young people and build it as a resource for the nation.

Our innovation reforms are expansive and comprehensive. They begin with plans to roll out new technology, to lift science and maths engagement at the earliest stages in our preschool students. They continue with measures around coding, science schools, all through our education system and complemented of course by our reforms to lift the STEM skills of our teachers. They reform research undertaking, driving stronger partnerships between universities and industries to ensure our world-class research has a greater chance of being commercialised, and our reform tax arrangements for venture capital and startups make investment in job creation more attractive. It really is a full lifecycle approach to innovation and science engagement that starts at the earliest years. Australia's economy must transition, and this Innovation and Science Agenda is central to that successful transformation.

Schools are a central part of this innovation agenda, and I look forward to working with all of you on the resources required to make sure we succeed in that regard. However, I acknowledge that innovation is just one of many things that are central to schools. Since it is an election year, I'm sure that you all want some straight talking from the Federal Minister, so today I want to address five key areas. Firstly, to highlight the Coalition's commitment to education. Secondly, to consider the state of policy in education debate in Australia. Thirdly, to counter some myths about funding arrangements for the non-government and independent sector. Fourth thing is the role of the states in education, and finally to discuss Commonwealth school funding policy.

In 2014 the present Leader of the Opposition said that, I quote, the Labor Party is the party of education. This is a view that I must contest, and frankly anyone who knows anything about the history of education in Australia should contest. Quite some years ago an important motion was moved in the House of Representatives calling for a revised and extended education system of prime importance, saying that there needed to be increased facilities for secondary, rural, technical and university training; that the problems of the qualifications, status and remuneration of teachers should be addressed and that Commonwealth investment and support might be necessary to realise these reforms. A good education, said the mover of this motion in the nation's parliament, although it is not by any means indispensable to worldly success, is, or should be, one of the basic elements of a citizen in life.

That speech sparked off a long and serious discussion about the future of education in this country. It was made on 26 July 1945, and the mover and speaker was Robert Menzies, who only a year prior to that had founded the modern Liberal Party. That it was made on the eve of World War II at a time when there was no – I repeat no – federal Department of Education, no federal Minister for Education, and when Commonwealth involvement in wider issues of public policy was still very limited, highlights how prescient Menzies was. It also highlights that the Liberal Party since its foundation in 1944 placed a high priority on education.

All have acknowledged, including all the Labor prime ministers, that it was Menzies and the Coalition that greatly expanded and established Australia's modern university system and made it accessible from a very extensive Commonwealth scholarship scheme. All have agreed that it was Menzies and the Coalition who understood the issues facing the Catholic school sector, put aside any ideological or personal religious beliefs and differences and started funding the non-government sector. And it was under Coalition governments that the principles of Commonwealth funding to the non-government schooling sector involving choice, need and diversity were firmly established and eventually accepted by all.

In government, Menzies' moved the small Office of Education to the Office of Prime Minister and Cabinet to keep it priority, and by the end of 1966 this would become the Commonwealth Department of Education. And the Education portfolio under the Coalition Government was considered critically important, as evidenced by the fact that the two later Liberal Prime ministers – John Gorton and Malcolm Fraser – served as education ministers along with other highly regarded ministers throughout the years, such as Sir John Carrick, Dr David Kemp and former leader Brendan Nelson.

The point I'm making is not to give you a history lesson, but to highlight that education has long been an important priority for us in the Coalition, and that choice in education is something that we hold dear to our hearts and is a core belief of the Coalition.

Just as no party is the natural party of government with some automatic right to office, no party should claim they are the special party of any area of public policy. We must all be judged on the basis of the policies we present and whether they tackle real problems, with policies that are fiscally responsible, doable and achievable in our federal system, and ultimately whether they're policies that will make a real difference.

One of the problems with the current state of policy development in Australia at present seems to be that it is often hard to have a real debate. Too often it becomes a shouting match from entrenched positions. Former Labor Finance Minister Lindsay Tanner perhaps was right when he said that the contest for ideas has been supplanted by the contest for laughs, quick fixes, simplistic solutions, and the avoidance of doing anything that might offend anyone or that anyone might find difficult. This is a great shame, because Australia has an enviable record of tackling numerous policy areas, making genuine reforms and taking the hard decisions. These problems are seen in school education policy too. The debate about the quality of our school education counterparts has been more concerned by what has

been- what have been the calls for the surrogates for quality. The surrogates, such as spending limits, class sizes or teacher-student ratios.

Spending more does not automatically equal better outcomes. This is a theme that I'll touch on several times. There is equally an issue in the debate that we see around equity. I hear a lot now about needs-based funding. Certainly the correlation between low socioeconomic background and poor student performance is well documented, and has been known for a long time. Often the term needs-based funding is used as a proxy for arguments for more funding in totality, which indeed successive governments have provided.

Now of course students from disadvantaged backgrounds should receive additional support, as they do, as they will continue to receive. As the OECD and others have noted, there are other family, personal and social impacts that impact more on student performance than school funding. Professor Sharon Goldfield, a paediatrician at the Centre for Community Child Health, made recent comments on the ABC *Life Matters* program in which she said, and I quote: there is no doubt that there's a relationship between children doing more poorly at school and disadvantage, but there are other areas of adversity that is important, the way the families function, the way the neighbourhoods function, their own intrinsic developmental pathways, so I wish it was as simple, not that it is as simple, to say let's get rid of poverty, but there are far more complex factors at play.

Schools can make a difference, and do make a difference, but we should be honest enough to acknowledge that their influence has limits in the face of these wider social, cultural and individual factors, which in part explains why all of the extra funding targeted to schools and students has a limited impact in tackling areas of disadvantage. Tackling disadvantage requires a holistic approach in which education is a critical piece of a bigger puzzle.

Research on equity and education highlights the need for policies addressing underachievement, to focus on quality of teaching, pedagogy and curriculum, rather than purely on socioeconomic status or disadvantage itself. Further, such decisions should be based on knowledge and evidence of what works for particular groups of students.

Contrary to views peddled by some, Australia is not a low spending country in school education. In 2012, Australia's spending on schools was four per cent of GDP, which is higher than the OECD average of 3.6 per cent. This includes both public and private contributions, which reflects Australia's unique public and non-government education system, as those of you in this room most certainly appreciate. Such OECD analyses demonstrate, yet again, that more spending does not automatically equate to better outcomes, because what the OECD equally shows is that some countries spend more than we do and perform worse, while other countries spend less than we do and perform better.

In Australia, between 1987-88 and 2011-2012, total government spending across all levels of government on schools doubled in real terms. A one hundred per cent increase. While over the same period of time, student numbers increased by only 18 per cent. That funding growth has continued under the Coalition at an even greater

pace. The Commonwealth will provide the total of \$69.4 billion to Australian schools over four years to 2018-19, a 27 per cent increase from 2014-15. The recent release of the latest NAPLAN results have sparked claims that extra Commonwealth funding was responsible for improvements in students' outcomes, and has ignited further the debate about future school funding levels. However, according to high level preliminary analysis at individual Australian schools demonstrating substantially above average NAPLAN gains in either reading or numeracy or both, changes to per student funding for these schools in 2013 to 2014 were highly variable, and there is no clear pattern in the way that the changes to funding relative to disadvantage or improvement.

While around one-third of these high gain schools did receive real increases in per student funding from 2013 to 2014 of more than five per cent, a similar proportion of these schools actually experienced decreases in per student funding in real terms, supporting the position that it is more important to focus on what schools are doing to achieve such outstanding improvements rather than inputs into those schools. To be clear, the analysis in its early stage of that NAPLAN data in relation to higher achieving schools shows that numerous schools achieve the outstanding improvements with less funding per student in 2014 than they received in 2013.

I also continue to be surprised, as a relatively new minister, by the myths peddled by some about the levels of funding directed to non-government schools, as I'm sure many of you are. Contrary to what is peddled, every student in a non-government school receives less taxpayer funding in support of their education than they would were they attending a government school. Their parents choose to pay more than they otherwise would. By increasing this private investment in education and thereby reducing the demands on the public system, these families increase the pool of funding available for all students. Average per student funding by the Commonwealth and state across the Government, Catholic and independent sectors bears this out.

MySchool data from 2013 demonstrates that an average government school student was subsidised by the taxpayer to the extent of \$11,860. In the Catholic sector, that figure is \$9548, while the comparable figure in the independent sector is \$7790. A student at a high-fee paying independent school whose parents are measured as having a higher capacity to contribute receives base funding 80 per cent less than a student at a government school. Even a student at a low-fee paying school whose parents are measured as having a low capacity to contribute receives base funding 20 per cent less than a government- than a student at a government school.

It is important to note these differences, not just to dispel some of the myths around school funding, but also to do so in light of the research released earlier this year that demonstrated each of our school systems attract students from all socioeconomic backgrounds. Dr Jennifer Buckingham's recent research report, *One School Does Not Fit All*, emphasises the importance of school choice and diversity. It enables parents or carers to choose a best-fit school for their child and their circumstances. This is clearly a strength of our schooling system, and it's thanks to the existence of the non-government sector which gives our education the great diversity we enjoy, and gives parents real choice.

It is clear that parents embrace this diversity and choice because more than one in three Australian children attends a non-government school. That people who struggle to pay fees choose to do so, while those who could easily make a contribution opt for the government system, is at the heart of the choice offered by the Australian education system, encouraged by Coalition governments since, as I noted earlier, Menzies era.

OECD research also show that an increasing number of the education systems have welcomed a growing non-government sector because it also spurs creativity and innovation, both within schools in this sector, but also more broadly across the whole education system. Meanwhile, we should equally note that state budget bottom lines have also benefitted over the years from the growth in enrolments in non-government schools. As the secondary funder of non-government schools, the state governments save money every time a student crosses from a government school to a non-government school.

Over the last decade there has been a shift of 2.1 per cent of students from the government sector to the non-government sector. On top of this, federal per student funding for students in state government schools is 66 per cent higher in real terms than it was 10 years ago. So we have a situation where the Commonwealth Government is paying the states and territories more per student than we historically have for students in government schools, and a greater share of students, though, have shifted out of those state government schools into the independent or non-government sector.

Yet remarkably, despite that fact that both of these factors reduce the cost pressures on the states and territories, they continue to have the gall to say there is a funding crisis. If there is, given the way in which every single school funding decision and trend in recent years has been for the benefit of the state system, then the blame for such a funding crisis clearly rests comfortably on their heads.

You will be forgiven, in reading some of the recent commentaries, for thinking that the Commonwealth was fully responsible for almost all funding for schools – government and non-government – the day to day running of the schools and the employment of the teachers. This ignores constitutional funding and administrative realities. The Commonwealth runs no schools and employs no teachers. It is the states and territories that are responsible for the quality of our education system since they all administer education acts, register and regulate all schools, register all teachers, accredit all teacher courses, and determine the implementation sequence and timing of the national curriculum.

In totality, the states fund 66 per cent of our school education system, compared with 34 per cent federal funding. The states have always had the prime responsibility. What's more, the share of federal funding is, as I've noted, at an historical high. There is wide disparity in the level of funding delivered by the states to both government and non-government schools, and disparity on the criteria on which they allocate their own needs-based funding.

Looking at the extremes firstly for government school funding, we see Western Australia, the ACT and the Northern Territory all provide more than \$17,000 per

student for government schools, while Victoria invests less than \$12,000 per student. Similarly, state government funding for non-government schools ranges from \$3200 per non-government student in Western Australia to less than \$2000 in Victoria and South Australia.

So the Commonwealth, contrary to some recent reports, has been doing the heavy lifting in schools, with its spending growing twice as fast as the states for over a decade, especially within the government sector. Indeed, the recent Report on Government Services shows that between the years 2004-5 and 2013-14, Commonwealth per student funding to government schools increased by 66 per cent in real terms, while state funding only rose by 6.7 per cent. Indeed, in some years per student spending in some states declined while Commonwealth spending grew. This, once again, is a reason why scrutiny of how states and territories, or other systems, and how they allocate funding according to need is often more important than the present almost exclusive focus on decisions taken in Canberra.

The states cannot and should not be let off the hook for what is ultimately their prime responsibility to how much they spend and how they allocate their spending. This is especially the case for those states who scream the loudest for more money, yet seem to invest the least themselves.

Let's now turn to post-2017 school funding, and indeed neutral reforms. The Prime Minister has stated very clearly that we are not in a bidding war with the Opposition, who have announced a big-spending policy package across school funding, and indeed are doing so across a number of areas. Labor says it will grow funding in schools even more than is currently budgeted for, even if real questions remain about how they will pay for this promise. But their model and the act which underpins it has many flaws. And as ISCA's submission to the 2014 Senate Inquiry into School Funding highlighted, and I quote ISCA in saying: the current funding arrangements are not effective or efficient, and the Commonwealth Government needs to urgently re-examine its current school funding arrangements.

Labor wants to lock in indefinitely those current arrangements that are unaffordable, overly prescriptive and complex. There are 27 different funding arrangements. There is not a national system in place; there are various transitions for different states; there are different deals that have damaged the integrity of the needs-based funding model, even if it were to be actually applied to delivery funding right through the schools. And there is overfunding for some schools with excessively long periods, and just to name but one of the problems. So funding arrangements in the act must be cleaned up; that is obviously something that ISCA, in representing the sector, has made clear.

It is fundamental to our national prosperity, as well as to our wider social wellbeing, that we have a funding model that drives education performance, innovation, and is fiscally responsible. I want to give you a number of assurances in relation to funding. Firstly, that the Turnbull Government understands your sector's concerns about the real inflationary cost of education. We have heard loud and clear from your advocates, and we will work with you on this issue.

Secondly, that the Turnbull Government remains committed to being an important player in schools, especially in relation to the non-government sector, as Coalition governments always have been. Thirdly, that we appreciate your concerns about the need for certainty around the future of school funding. This is why I have resisted ideas that I should simply do a deal that deals with the so-called final two years of Gonski rather than actually engaging in thorough conversations to try to achieve longer term outcomes. Fourthly, that our Government has been clear that school funding arrangements in 2018 will be informed by negotiations with your sector. ISCA has rightly complained about the rushed nature of previous funding arrangements, and the excessive secrecy that surrounded them. We will not repeat those mistakes of previous governments.

And finally, I want to make sure that I commit to all of you that we will work to ensure arrangements are transparent, that they are not riddled with special deals for different players, but that they actually achieve a fair and equitable outcome that is understandable to the Australian people and ensures that the Australian people do appreciate the value of diversity and choice in our school system, and the value in providing support to every student regardless of the choice their parents make. Future Commonwealth funding and policy must not only be affordable, needs-based and transparent, but also must better clarify responsibility for education, ensure there are proper accountability measures, and that it's drive – performance and innovation – occurs in ways not tried in the past.

Most importantly though, most important and briefly, we do need to shift the education debate away from one that is dominated by inputs like funding. It's specialisation they can bring into your schools and can apply to the quality of education in those environments. It's why we worked to improve the national curriculum that we found when we came to office, to simplify it where possible to enable you to focus on the things that matter most. It's why we are passionate about trying to lift parental engagement, something that I am particularly passionate about because ultimately the most important learning environment for a child is the home environment, and it is that home environment that frames the child you get when they arrive in your schools.

I'm very conscious that in this sector where parents have made a conscious choice to attend your schools, to pay the associated fees, there is a level of parental engagement. And I want your help and your advice as to how it is we can make sure that across Australia, no matter the socioeconomic background, no matter the choice of school, we do manage to maximise that parental engagement from the earliest years through to setting the ambitions of those children, to ensure that they are best placed to be able to help their child succeed and learn, and to complement the outstanding work of our wonderful schools and quality of teachers.

We have many ambitions for what we hope our schools can achieve as part of a more innovative Australia. Ambitions that of course start from the basics of how it is that students best learn to read, inspiring their interest in STEM subjects from the earliest years, but giving them the support, the resources and the teachers able to then deliver those outcomes throughout, lifting the nation's outcomes in relation to foreign languages, especially Asian languages.

As Education Minister, I consider every policy proposal on education that crosses my desk ultimately in terms of its impact on children and their future prospects. My five year old daughter will probably never go to the moon – although who knows what she has in store for her – but fortunately I am confident that she has the best opportunities available to her, and I want to make sure those opportunities are available to every child across our schooling system. I look forward to your help in doing so, and I thank you so very much for all you do for our education system, and for the opportunity to be with you today. Thank you.

[Applause]

**Senator Birmingham's media contact:**

James Murphy 0478 333 974

Nick Creevey 0447 644 957

**Department Media:**

[media@education.gov.au](mailto:media@education.gov.au)