



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**EDUCATION LEGISLATION
AMENDMENT BILL 2008**

SCHOOLS ASSISTANCE BILL 2008

Second Reading

SPEECH

Tuesday, 21 October 2008

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Gillard, Julia, MP

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Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (7.08 pm)—in reply—I thank the member for Oxley and all other members who have spoken in this debate on the Schools Assistance Bill 2008 and the Education Legislation Amendment Bill 2008. I particularly thank the member for Oxley for his personal assistance to me during the course of the debate.

The Rudd Labor government is committed to creating an education revolution. Our aim is to establish this country as one of the most highly educated and skilled nations in the world. Education not only drives productivity but also empowers individuals to reach their full potential and helps overcome disadvantage. The government has made substantial progress towards these aims with the 2008-09 budget delivering \$19.3 billion in investments in education, cementing the government's commitment to trade training centres, new digital technology and a national curriculum. The Schools Assistance Bill 2008 adds further significant investment to school education, whilst the Education Legislation Amendment Bill 2008 extends the Indigenous Education (Targeted Assistance) Act 2000 so that the government can continue to make supplementary investments to contribute towards closing the gaps between the outcomes for Indigenous and non-Indigenous Australians.

I thank everyone who has spoken on this debate, from both sides of the House, for their participation and I note that the debate has been thorough and wide ranging. I think that the commitment of members to speaking in this debate reflects the central role that schooling plays in our nation and, consequently, the priority that members of this House—indeed of this parliament overall—attach to it. I will respond to the claims that have been made during this debate and reiterate why these bills presented together are an essential building block in our reform agenda. In doing so, I would also underline to the House the urgency of passing them. Schools and students need this legislation to pass before the end of 2008. Without the legislation, the Australian government is unable to make recurrent payments to non-government schools and systems for the school year beginning in January 2009. I cannot imagine that any member of the House would want non-government schools to start the next school year in a situation of uncertainty.

The Rudd Labor government promised certainty and stability in school funding. We cannot leave these schools, students and families in a position of not knowing what might happen just because it might suit the opposition, or indeed other political parties in the Senate, to seek to delay passage of the bill. As the Independent Schools Council of Australia among others have recognised, it is urgent and imperative that this bill is passed in a timely way and that the various stakeholders work together constructively to pass it. They are wise words which should be considered by all members of this House and certainly by all members of the Senate. Scrutiny and transparency should, of course, always be respected in the parliamentary process, but delay for the sake of political point-scoring should not be a feature of that process.

The Schools Assistance Bill will appropriate an estimated \$28 billion in Commonwealth funding for non-government schools over 2009-12, including supplementary assistance for Indigenous students, and will implement the government's commitment to provide stability and certainty of funding. A further \$779 million is estimated to be appropriated under the Indigenous Education (Targeted Assistance) Act 2000 through the Education Legislation Amendment Bill 2008. These bills have been introduced in parallel with the development of new financial arrangements being negotiated between the Commonwealth, state and territory governments through the Council of Australian Governments. They will be reflected in the national education agreement that we will complete later this year.

The COAG reform framework means that for the first time all governments in Australia will agree to a single set of objectives, outcomes, outputs and targets—and, hence, educational priorities and reform directions—for the school system. The Australian government considers that the COAG reform agenda must deliver real change in three core areas: it must raise the quality of teaching in our schools; it must help ensure all students benefit from schooling through strategies based on high expectations of attainment, education and transitions for every student, especially in disadvantaged school communities; and it must improve transparency and accountability of schools and school systems at all levels. These two bills are an essential step in delivering that change.

Before the 2007 election, we committed to improving transparency in Australian schooling through national testing, easy to understand reports for parents and public reporting on the performance of schools. A central feature of funding arrangements for 2009 to 2012 is therefore a simpler, stronger performance information and reporting framework for non-government schools which will be consistent with the conditions required of government schools under the national education agreement. This transparency framework will apply equally and consistently to non-government and government schools.

The requirements in this bill focus strongly on five features that are central to good reporting to parents, the community and government: national testing, national reports on the outcomes of schooling, provision of individual school information, reports to parents and publication of information by schools. This bill contains provisions to ensure that non-government schools receiving Commonwealth funding will provide a range of information in readily accessible formats which enable fair and transparent reporting. These are needed in order to give parents information about how their child and their school are doing to support them in making the right choice of school and in order to guide resources and policy decision making towards the greatest possible effectiveness and improvement.

Transparency about the income received from different sources is of obvious importance in understanding the effectiveness of individual schools and in treating all schools, government and non-government, consistently. There have been claims that the bill will require schools to publicly disclose every individual item of income. In fact, the bill makes it possible for income to be reported consistently by source in a way that will be compatible with the existing regulatory requirements to report to the department through a financial questionnaire. We are committed to reducing the regulatory burden on schools and we will examine, through the regulations and guidelines for this act, how we can ensure that the provision of information about income can be as efficient as possible.

Mr Pyne interjecting—

Ms GILLARD—The shadow minister for education is inquiring of me by way of interjection whether we will commit to not publishing it. The government is committed to transparency. We believe that transparency is important. The same transparency framework will apply to non-government schools and government schools.

Opposition members interjecting—

Ms GILLARD—It is interesting that interjections are coming from the Liberal Party, which at one point used to proudly say that it believed in transparency. Clearly, now it believes that secrecy should be associated with education. But we will not allow critics of transparency to obscure the purposes of our reforms. Only by understanding the total amount of funds at the disposal of individual schools is it possible to understand the relationship between resourcing and educational outcomes.

The opposition have claimed in this debate that the income of a school is irrelevant to understanding its performance. I find this claim nonsensical. If we are to identify accurately where the greatest educational need across the Australian community is located and encourage excellence in every school, we need a basis for fair, consistent and accurate analysis of how different schools are doing.

This bill includes performance reporting at individual school level. The government has repeatedly stated that such reporting will not take the form of simplistic league tables. Instead, any public reporting would show how schools are doing compared to other like schools that share the same student characteristics. States and school systems are currently working with the Australian government to examine which forms of data are relevant to understanding the performance of schools, given their overall circumstances and the students that they serve. A particular emphasis on Indigenous students will feature in performance data to guide improvements in closing the educational gap between Indigenous and non-Indigenous children.

Implementation of greater transparency will be supported by the recent agreement by the Council of Australian Governments to the establishment of a new national education authority, the Australian Curriculum Assessment and Reporting Authority. That will bring together for the first time the functions of curriculum, assessment and reporting at the national level. The new national curriculum will provide a clear and explicit agreement on the curriculum essentials that all young Australians should have access to, regardless of their socioeconomic background or the location of their school.

In this bill, the government is not requiring detailed adherence to a rigid, line-by-line program of curriculum study. Instead, it is making clear that the national curriculum, once agreed and completed, will be compulsory.

Consideration will be given to whether some existing curricula meet the requirements laid down by the new curriculum framework. What is not open for negotiation is the idea that a world-class curriculum will be an optional extra for schools that are receiving significant public funds.

The national curriculum will not be a straightjacket for schools. It will provide for flexibility and scope to allow schools and teachers to implement its content and achievement standards in appropriate ways at the local and school level. It should not interfere with the ability of independent schools to continue to offer local curriculum arrangements within the requirements of the curriculum essentials of the national curriculum.

A further erroneous claim in relation to the bill has been made. That claim is that it enables the minister to in some way capriciously withhold money from a school that has an unqualified audit report. I indicate for the benefit of the House—

Mr Pyne—Qualified.

Ms GILLARD—As I understood the opposition's claims—and I have its second reading—

Mr Pyne—Qualified for reasons other than financial viability.

Ms GILLARD—Right. I have the second reading amendment. I can clarify this for the shadow minister at the table. According to his second reading amendment—which has been foreshadowed and circulated and which will be moved later in the debate—he is apparently concerned about a:

hidden agenda evidenced by:

(a) granting greater power to the Minister to delay or end funding to non-government schools because of an audit qualified for non-financial reasons;

Can I provide to him the explanation for the provision in the bill. The explanation is simply this: it is possible for an auditor to submit an unqualified report—that is, unqualified directly in the sense of an auditor's qualification—that still expresses concerns about the financial viability of the school. The auditor may report that the school's accounts provide a fair and true representation of the school's finances; however, without qualifying their opinion, the auditor may also express concerns about the school body's viability such as where it is highly dependent on the continued goodwill of its financiers in which funds have been borrowed on better-than-commercial terms. It is in relation to that kind of matter that the provision is being sought—a probity provision, something related to appropriate and proper use of government funds and something the shadow minister is obviously confused about.

The Schools Assistance Bill will make important changes for Indigenous students in non-government schools. Non-government schools where 80 per cent or more of the students are Indigenous and non-government schools in very remote areas where 50 per cent or more of the students are Indigenous will receive maximum funding. This additional funding will enable Indigenous students to receive a higher level of support and to achieve better educational outcomes—something I trust every member of the House is able to support. Bringing supplementary Indigenous education funding into the Schools Assistance Bill and streamlining the administrative arrangements that support that funding will reduce the administrative burden and increase flexibility for providers so that they can get on with the vital job that we want them to do: closing the gap between Indigenous and non-Indigenous Australians. We trust that the impact on Indigenous Australians will be positive; 2,157 Indigenous students in non-government schools will attract maximum funding under the bill.

COAG agreed that as a national priority we must aim to halve the gap in literacy and numeracy outcomes over the next decade and halve the year 12 attainment gap between Indigenous and non-Indigenous Australians by 2020. This will not be achieved unless we create the conditions for schools to do things differently to meet these targets. The Education Legislation Amendment Bill extends the Indigenous Education (Targeted Assistance) Act 2000, which also enhances the government's ability to create the right conditions for change. In summarising the debate I also note that, under the Schools Assistance Bill, most approved authorities will be better off financially but, importantly, no approved authority will be worse off. Independent schools can decide on the best way to support their students. Where schools are in a cluster association with each school contributing resources, they will not be prevented by this legislation from continuing this arrangement in the future.

The legislation ensures that states pass the funding to approved authorities in a timely manner. The legislation makes no changes to the SES funding model used to calculate the allocations to the non-government sector.

Indexation is also calculated in the same way as for the previous quadrennium. One change is the discontinuation of establishment grants, and this has been referred to during the debate. Establishment grants were introduced in 2001 as part of the socioeconomic status funding arrangements for non-government schools. The additional funding was provided to allay independent non-government school concerns about establishing new schools with funding levels based on their SES scores in competition with Catholic systemic schools, which at the time were not funded in the same way as the rest of the sector.

When in 2005 Catholic systemic schools became part of the SES funding arrangements, the rationale for establishment grants continuing was weakened. A survey of the non-government schools sector undertaken as part of the evaluation of the Establishment Grants Program showed that school operators did not base decisions about opening up a new school on the availability of establishment grants funding. For example, the following quote is typical of the views expressed during the evaluation:

The grant is too small to influence such a major decision as opening a new school.

Mr Pyne—Rubbish!

Ms GILLARD—That is a quote from a person involved in the process, not from me. I would also like to correct the assertion that this government was responsible for the demise of the Investing in Our Schools program. The previous Prime Minister, Mr John Howard, made it clear that the last round of funding was the final round.

We need to build in our schools a culture of high expectations for students and teachers. This culture must also be matched by effective transparency and accountability mechanisms that meet the needs of parents, policymakers and the broader community. The Schools Assistance Bill 2008 and the Education Legislation Amendment Bill 2008 are critical elements in this national agenda, and I commend the bills to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.