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HOUSE OF REPRESENTATIVES

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**Australian Education (Consequential
and Transitional Provisions) Bill 2013**

Second Reading

SPEECH

Monday, 17 June 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Pyne, Christopher, MP

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Mr PYNE (Sturt—Manager of Opposition Business) (18:59): I am pleased to speak and outline the coalition's stance on this transitional and consequential amendments bill to the Australian Education Bill 2013 that the House of Representatives passed in the last sitting week and which is now in the Senate. We do not oppose this bill, as we did not the Australian Education Bill, because it is a measure of the confusion of the government that they are now passing bills through the House of Representatives to implement new school funding plans before these plans have even been agreed to by state governments. We are in the extraordinary position where the House rises on 27 June, and the agreements with the states to implement a new school funding model can be agreed to anytime up to 30 June. So the House will rise on 27 June, and five out of eight jurisdictions—three have already signed up—could sign up between 27 June and 30 June, which would make the new school funding model work. But, equally, none of those five might sign up to the government's new school funding agreement. The House and the Senate will have passed a new school funding model bill, and the consequential and transitional amendments bill that goes with it, for a national school funding agreement that has no agreement and does not have national implications because it is not agreed to by an overwhelming majority of states.

The government has got us into the ridiculous position where we are debating a bill to implement a new school funding model when not all of the states have agreed to a new school funding model. It is very different to the way that the government and the opposition handled the National Disability Insurance Scheme, which was handled in a bipartisan way. Therefore, the states and territories knew that they could sign up to the agreement for a National Disability Insurance Scheme and that it would be implemented by either a Labor government or a coalition government. In this case, on the other hand, it is very clear that there are some states that have very strong views opposing the introduction of this new school funding model—and I will go through some of those in a moment.

The coalition has very serious concerns about this new school funding model. The first of those concerns is that it is all far too late. For this government to try and implement a new school funding model to begin on 1 January 2014, this debate needed to be held last year, in 2012. As I travel around Australia—and I have been the shadow minister for 4½ years—principals tell me that to implement a new school funding model takes about 12 to 18 months. This government has potentially given non-government and government schools less than six months to implement a new school funding model, assuming one is agreed to by all the states. It is far too late, at five minutes to midnight, for the Prime Minister and the minister for schools to try and implement a new school funding model in Australia which would normally take 12 to 18 months to do properly—and they have given themselves six months to do it.

If we were faced with a government with a record of achievement and competence, that we knew were capable of putting pink batts in the ceilings of people's homes, or building school halls that were not overpriced, or managing the live cattle exports trade—or any of the other examples I could give—then you might give them the benefit of the doubt. But we do not have that kind of government in Australia at the moment. We have a government that we know is manifestly incompetent. The prospect of them introducing an even more complicated model than the current model, that is less transparent and has had less time for consultation and negotiation with the states and the non-government sector—and the idea of them implementing that successfully—is a long way from the expectations of the opposition. For that reason, we have very serious concerns about this minister's capacity to implement any kind of new school funding model, let alone one that applies differently in different states to different sectors. Even within those sectors and within those states, depending on whether they have achieved the student resource standard or not, it applies different levels of indexation to those non-government and government schools in the same state. It is much more complicated and much less transparent than the previous model.

It also provides a much greater concentration of power in the hands of the federal minister for education than has ever been preceded before in Australia. The Premier of Tasmania got this right on Friday when she said that Tasmania was very reluctant to sign up to a new school funding model because she did not want the opposition having that much power over Tasmanian state schools. Now, quite apart from the fact that it appears that the Premier of Tasmania has already given up on the prospect of the Gillard government being returned—which

seems to be running up the white flag rather prematurely since we have 90 days or 89 days to go before the election—the Premier of Tasmania is correct inasmuch as this new funding model would give unprecedented power to the minister for schools at the federal level. The Premier of Tasmania is right: schools are run by state governments. They employ teachers, they own the infrastructure and they make the decisions in their schools. This new model, apart from creating another new bureaucracy called the Australian School Performance Institute—yet another institute and another bureaucracy in Canberra—also devolves enormous amounts of discretionary power to the federal minister for education to intervene in state government and non-government schools.

This is one of the reasons why the National Catholic Education Commission is so concerned about signing up lock, stock and barrel to a new school funding model that allows the federal minister for education to determine whether they can vary from the school funding model that is proposed in this legislation. The Catholic system has always been run very independently. They cross-subsidise between their schools, and they do not want to have to go back, cap in hand, to the federal minister for education if they ever want to vary those arrangements. I can understand their reticence. I can also understand Western Australia's, Tasmania's, Victoria's, Queensland's and the Northern Territory's reticence at signing up to a model which allows the federal minister for education to determine the operations and management of schools in the state systems. Western Australia particularly has been doing very well in terms of its student outcomes since it shifted to a model that had greater autonomy for school principals; they call it Independent Public Schools in Western Australia.

Why should they allow the federal minister for education to ride in over the top of the state minister for education and say, 'We don't like the way you are managing your schools and, because we now have this new power under the National Plan for School Improvement, we can tell you exactly what we want you to do.' The coalition does not support that. The coalition believes in the devolution of power to the levels of government to whom it should be devolved and that state governments run state schools. State governments should be the primary decision makers in state schools.

I have talked before about how this new school funding model is a swindle. I will not delay the House at great length about that tonight other than to remind the House that the Gonski report into school funding called for \$6½ billion each year in new school funding. Over the forward estimates, which is four years, you would expect that to be \$26 billion. What does this new school funding model deliver? It delivers a cut to school funding of \$325 million over the next four years.

Those states and territories that have signed up to it—the ACT, New South Wales and South Australia—have signed up to a new school funding model that cuts school funding over the next four years by \$325 million. Then you have to suspend everything you know about this Prime Minister and this government to believe that, miraculously, in 2018 and 2019 rivers of gold will flow to the school sector to the tune of billions and billions of dollars. That is \$7.8 billion in year 5 and year 6.

It is like your boss saying, 'I am giving a big pay rise and you should go out and plan on that basis.' Out you go and you change your mortgage or you do whatever you like with credit cards or you buy a new car and then you get your pay packet and there has been a cut. You go back to your boss and you say, 'How come you promised me a pay rise? I have relied on that to make all sorts of decisions and there is actually a pay cut in my salary.' The boss says, 'No, no, you get a big pay rise. You just have to wait five or six years for it to happen.'

No Australian would accept that from their boss and no state or territory government should accept that from the federal government. I might be cynical, but I do not believe that the Prime Minister will win the next three elections in a row and deliver rivers of gold in 2018 and 2019 to schools when she could not even keep a promise for six days not to introduce a carbon tax before the last election. This is not the Gonski report being implemented. This is a swindle being visited on schools. Principals and parents know it. Another one of our concerns is the confused data.

Dr Leigh: On a point of order, Mr Deputy Speaker Georganas I ask the member for Sturt to withdraw his term which appeared unparliamentary to my ears.

The DEPUTY SPEAKER (Mr S Georganas): Order! For the benefit of the House I ask the member for Sturt to withdraw.

Mr PYNE: I am not sure what term it was, Mr Deputy Speaker. I said 'truthful'—I do not believe the Prime Minister—or 'swindle'.

The DEPUTY SPEAKER: Order! The member will withdraw.

Mr PYNE: Thank you, Mr Deputy Speaker. I certainly never referred to anybody as a 'swindler', but I said this was a swindle.

The DEPUTY SPEAKER: Order! The member will withdraw unequivocally and get back on the bill.

Mr PYNE: I withdraw, Mr Deputy Speaker, if it suits the House to do so.

The DEPUTY SPEAKER: That is good.

Mr PYNE: One of our other concerns is with the confused data that is associated with this new school funding model. Every time the government gives data to the states or to the non-government sector, and the non-government sector and states model that data to determine how many of their schools will be worse off, they then publish a list showing how many of their schools will lose money. The government says, 'You have got the wrong data. We will give you the right data. We do not know what data you are relying on but it is the wrong data.'

The only data the schools are relying on is the data given to them by the federal government but, apparently because it does not spit out the responses that the government wants, it is always the wrong data. Of course, the truth is the government is giving the right data to the schools and they are modelling it and it is showing that hundreds and hundreds of schools will lose money under the new school funding model—300 schools alone in Queensland will lose money under the new school funding model if it goes ahead.

Only the coalition can promise that not one school can lose a dollar in real terms because the coalition has promised to deliver the current quantum of funds plus the current indexation called the AGSRC model of indexation. The coalition can promise every school principal and every parent in Australia that it is not mathematically possible for schools to go backwards under the coalition because we will provide the current quantum plus the AGSRC indexation. Yet this government is implementing a new school funding model and tries to pretend that it will deliver rivers of gold to school communities while it is cutting funding for the next four years by \$325 million. That is putting aside higher education, early childhood, child care, apprenticeships and training. At the same time it is not keeping pace with the indexation that the coalition can promise so that only the coalition can promise that no school could be worse off after the election. This government has admitted that schools will lose money over the next four years.

Each time I have asked the minister—and I will ask him again and maybe he will tell us in his summing-up to the second reading—how many funds will flow to schools in 2014 and 2015 and 2016, school by school, the minister fluffs the answer, obfuscates and comes up with all sorts of riddles, none of which answer the question that principals want to know. That is how much will they get in 2014, 2015 and 2016. I will give the minister the benefit of the doubt. I suspect the answer is that he does not know, and therein lies the problem. Under this school funding model, schools cannot plan for the next three years because not even the government knows how much money they will lose.

Another one of our concerns is the hidden hooks in this legislation. The hidden hook that causes me the greatest concern is schedule H to the national agreement that the government has made with the states that have signed up to it which refers to the use of the socioeconomic status data from the Australian Bureau of Statistics to determine funds to non-government schools between now and 2016, but then in 2017 a new tool will be developed called an individual parental capacity to pay

When I raised this issue, the minister publicly said what that meant was the aggregate parental capacity to pay in a school. But that is not what the agreement says. The agreement says 'an individual parental capacity to pay', so those states and territories that are signed up to this agreement have signed up to a means test on the parents of children in non-government schools.

We know Labor have a propensity towards means tests. They means-tested the pension under the Hawke government in 1984. They means-tested the private health insurance rebate. The parliamentary secretary would know this because he is a bit of a savant when it comes to dates and numbers. In 1986 they means-tested the pension against the wishes of the coalition. They then means-tested the private health insurance rebate, which we know is in their DNA to means-test. And so when I discovered that schedule H said 'an individual parental capacity to pay' and I raised it, everybody in the non-government sector realised what it was—that is, a means

test. And that is where the government are going. If the government are re-elected, if this government form another government after 14 September—if this parliament lasts that long—then they will, as sure as night follows day, introduce a means test on the parents of children in non-government schools. And those people who are considering voting for the Labor Party at the election, who have children in non-government schools, cannot come back to the coalition in 2017 and say, 'Why didn't somebody warn us about this,' because I have warned about it again and again and again in this place and in the media.

One of the great failures of this new school funding model is that it does not actually address any of the transformational issues that will change student outcomes in Australia. And if the only purpose of government funding for government and non-government schools is to affect the outcomes of our students in schools, then why doesn't this bill pass that test? This bill does nothing to try to address the transformational measures that are required in our schools across Australia to bring about better outcomes for our Australian children who are of school age. I talk specifically about things like teacher quality, a robust curriculum, principal autonomy and parental engagement.

Anyone who has read up on the issue of school education will know that the Grattan Institute's report, and many other venerable public advocacy organisations and academic works, have turned themselves to the question of what are the important issues in schools that bring about the best results for our students. They are: principal autonomy, parental engagement, a strong and robust curriculum, and teacher quality. The first one of those must be teacher quality, and yet these bills before the House tonight, that follow the Australian Education Bill, do not address the fundamental issues. And the member for Griffith is right when he says that the government has not made the case for the link between new spending in 2018-19 and the impact that that will have on student outcomes.

We spend a great deal of money now on schools. In fact, we are spending 40 per cent more on schools today than we were—we have increased our spending on schools, I should say, by 40 per cent over the last 10 years, and in those 10 years our outcomes have declined. We spent 40 per cent more in the last 10 years on school education and in that time our outcomes have demonstrably declined—not just relatively with our Asian competitors and neighbours, but in real terms both our literacy and numeracy have declined. So if money was the answer to every problem, why is that so?

The answer is because this government has not addressed, and the state Labor governments—they have been mostly state Labor over the last 20 years—have not addressed, the fundamental issues of teacher quality, parental engagement, principal autonomy and a robust curriculum. Except in the last three years in Western Australia. The member for Stirling is here in the chamber tonight, and he would know that Western Australia is the only state in the entire federation that has introduced the most far-reaching principal autonomy in the country in government schools and it is the only jurisdiction since 1977 that is now seeing a drift from non-government to government schools because parents are looking at the independent public school model in Western Australia and saying, 'That is where we want our child to be educated.'

The No. 1 feature of government schools in Western Australia, independent public schools, that is different to every other state is that the principals have enormous autonomy in their schools. They are one-line budget items in the Western Australian budget—school name, amount of money; decisions are made by the principals and their leadership teams and their advisory councils. Now more than 50 per cent of all children in government schools in Western Australia are in independent public schools and the market is telling us in WA that the parents like principal autonomy. These bills do nothing to address the issues of principal autonomy and the flow-on effects to parental engagement, robust curriculum or higher teacher quality.

People are entitled to know what the coalition would do. If the coalition is fortunate to be elected on 14 September this year, we will immediately move, if there has been no national agreement—and national agreement means an overwhelming majority of states—to repeal agreements made between the Commonwealth and those states that have signed up, unless there is national agreement. We will introduce a one-page bill that will roll over the current funding model from the end of this year to the end of 2015, which gives us two years to sort out the chaos and mess that this minister and this Prime Minister have presided over in the new school funding model. That will give schools their current quantum of funds, plus indexation under the average government school resourcing standard, the AGSRC, and schools can, therefore, plan. They will get no less money—in fact, they will get the same amount in real terms because of indexation—for at least two years.

We will focus relentlessly on the four priorities that I have talked about tonight: principal autonomy, a robust curriculum, teacher quality and parental engagement. We will implement a new capital infrastructure fund for schools across Australia because we know that schools are growing and in new areas of large cities and in many regional and rural areas there is enormous need for new schools, for growing schools to get capital infrastructure and for some schools with dilapidated infrastructure to get continuing support for capital.

The so-called Building the Education Revolution, like so many of this government's policies, was just another flash in the pan—the money is gone; the money has been spent—and now the government is saying to schools: 'There's no more capital infrastructure for you. You've had your share.' The member for Riverina, the member for Stirling and I know that the needs of schools continue far beyond the so-called Building the Education Revolution so, when the budget allows because of good economic management—from a, hopefully, new government in September—we will implement a capital infrastructure fund that meets the needs of school communities across Australia.

I know I said I would speak only briefly and I have spoken instead for 25 minutes because there were so many important things to put on the record, but in conclusion one of the most important things in the Gonski report was their acceptance of the coalition's policy that the funding of children from disadvantaged backgrounds should be sector blind. Hitherto, if you were a student in a government school, you would be funded in some cases at 10 times the rate of the same child in a non-government school, for example, for disabilities. I believe that is wrong and I think most Australians do believe that is wrong. One of the good things about the Gonski report is that they accepted the coalition's policy from the last election that funding of children in non-government schools should be the same as funding of children in government schools, whether that is for children with a disability, for low-SES children, for children in remote and rural areas, for children in small schools or for children from non-English-speaking backgrounds.

We believe that no matter who wins the election in September they should implement a policy that is blind to the school sectors and that allows the funding to follow a student for disadvantage. That is what the Gonski report talked about in terms of loadings. How we will make that work is something that I think we will need two years to work out with the sector. Under the coalition, the national partnerships that have been redirected into this new funding model but short-changed on the way through will continue, the targeted programs that have been cut in this budget will continue and the current quantum will continue plus the AGSRC. We will look over the next two years at how to implement a loadings policy that is fair to everyone, where the funding follows the child with disadvantage and can be afforded by the Australian taxpayer. I am quite sure that is not beyond the wit of the new government—or, indeed, of this government, should we be unfortunate to have them re-elected.

With those few words, I point out that the coalition will not oppose this bill. Of course we cannot oppose a bill that has not yet even reached national agreement. We cannot support it and we cannot oppose it, so we will let it through and we will wait to see where the states land in terms of their support or not for a new school funding model.