

# Quality Education: The case for an Education Revolution in our Schools

27 August 2008



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# Foreword

The Rudd Government is committed to creating an education revolution to build a world class education system, which would establish Australia as one of the most highly educated and skilled nations.

This commitment recognises the central role that education plays in the economic and social strength of our nation. Education not only drives productivity but also empowers individuals to reach their full potential, and helps overcome disadvantage.

Beyond economic growth, education creates social benefits that help build social capital. Societies with a strong commitment to education enjoy higher levels of civic participation, greater social cohesion, lower levels of crime and disadvantage, and a more trusting, equitable and just society.

Over the last nine months substantial progress has been made towards these aims. The 2008–09 Budget delivered \$19.3 billion in investments in education, cementing the Government's commitment to Trade Training Centres, new digital technology and a national curriculum.

Through the Council of Australian Governments (COAG) we want to go further than any previous Australian Government in creating a national agenda for longer-term investments and innovative approaches to building Australia's productivity.

That is why we have placed education and all aspects of our human capital at the very heart of Australia's economic and social investment priorities.

The Education Revolution is a key element of the Australian Government's agenda as it is central to the goals we have for this nation:

- **Building a Stronger Future**—Increasing Australia's capacity to sustain higher economic growth with low inflation through increasing the skills base of the labour force and aligning that skills base with the needs of the economy.
- **Building a Fairer Australia**—Raising the skills and capacity of all Australians, particularly those with low skill levels, is essential to ensuring equity in the economic, social and political life of the nation.
- **Preparing for Future Challenges**—Australia faces significant changes to its social and economic environment through an ageing population and increasing international competition. The nation must invest in developing a world class education system and drive development of a workforce that is highly skilled, flexible and adaptable in responding to increasing global competition for skills.

If Australia is to rise to these challenges, we need a revolution in the quality of our education outcomes, the nature of our investment in education and in collaboration between governments and the education and training sectors.

The Australian Government considers that the COAG reform agenda must deliver real changes in three core areas:

1. Raising the quality of teaching in our schools.
2. Ensuring all students benefit from schooling through strategies based on high expectations of attainment, engagement and transitions for every student, especially in disadvantaged school communities.
3. Improving transparency and accountability of schools and school systems at all levels.

In summary, we need to build a culture of high expectations in our schools for students and teachers. This culture must also be matched to effective transparency and accountability mechanisms that meet the needs of parents, policy makers and the broader community.



**Kevin Rudd**  
Prime Minister



**Julia Gillard**  
Deputy Prime Minister

Quality education is good for our economy, good for our community and good for individuals. It will help create more jobs and higher wages, and will create better opportunities for all Australians.

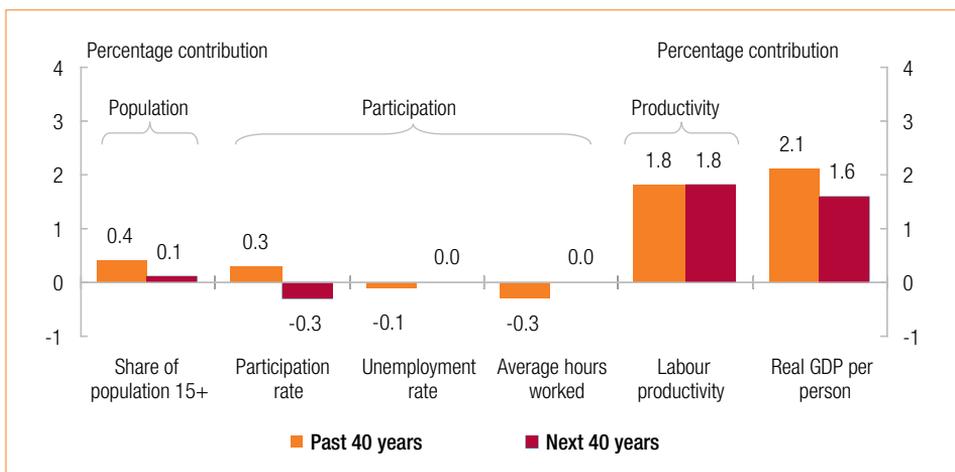
# Australia's Education and Skills Challenge

The Australian economy is operating at the limits of its capacity and has been for a number of years. Various measures of industry capacity utilisation are well above historical averages. As a result inflationary pressures have built as supply has failed to keep up with demand.

Sustaining the economy's growth rate in the future will depend on increasing our productive capacity. Increases in productive capacity will rely on investment in new capital and technologies, growth in the labour force and importantly, the productivity of Australian workers. By expanding the productive capacity of the economy we will be able to lift the living standards of all Australians.

A key economic measure of growth in living standards is Gross Domestic Product (GDP) per capita. Chart 1 shows the contributions to growth of components of GDP per capita over the past 40 years and their projected contributions over the next 40 years.

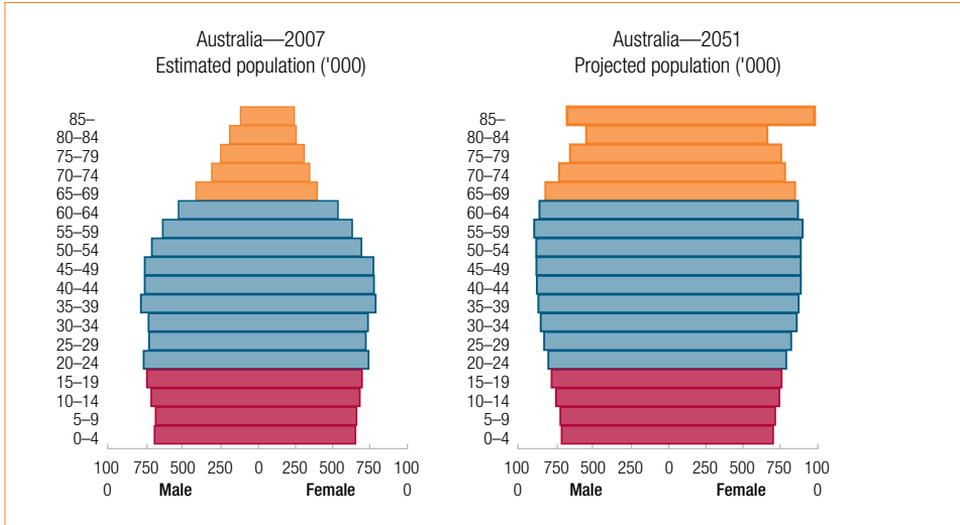
**Chart 1—Growth in GDP per person**



Source: Treasury

The real improvements in living standards have in the past, and will in the future, come from improvements in labour productivity. Population composition and participation made a small positive contribution to growth in GDP per capita over the past 40 years but this will not be the case in the future, especially for participation which will detract from growth. A key reason for this is well known—the ageing of Australia's population will have long term impacts on workforce participation.

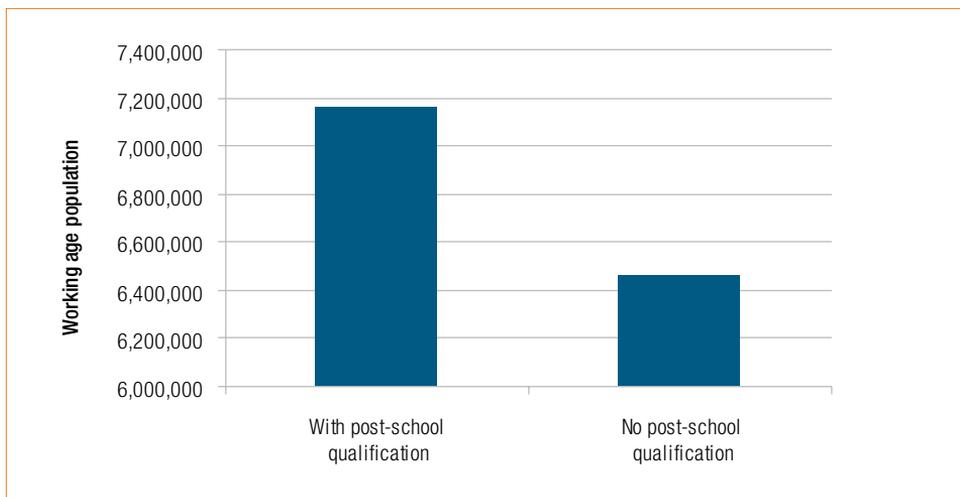
## Chart 2—Demographics



Source: ABS Population by age and sex, Australian states and territories, June 2007; and ABS Population projection, Australia, 2004 to 2101

Labour productivity grows with the education and skill levels of the workforce and the ability of the education and training systems to be responsive to the skill needs of the economy. **There are, however, nearly 6.5 million Australians who have no post-school qualification.**

## Chart 3—Post-school education attainment of working age population



Source: ABS, Education and Work May 2007, Cat No. 6227.0

Education and training have an important role in increasing the productive capacity of the economy, allowing higher levels of economic growth without creating inflationary pressures.

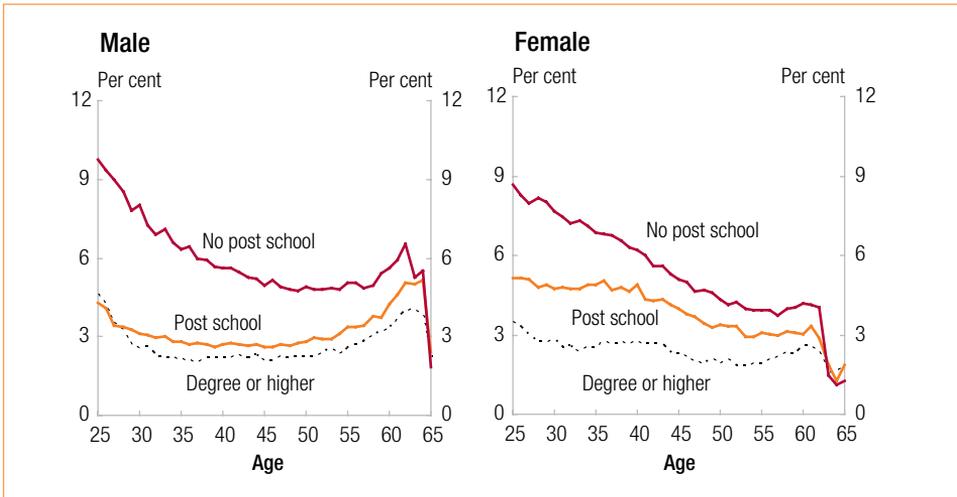
Education and training starts with early childhood development, which provides the foundations for future skills formation. Investing in early childhood development provides benefits to individuals, our community and the economy.

School attainment is positively linked to higher levels of employment and labour force participation; lower unemployment; labour force re-entry; higher wages; and higher levels of productivity<sup>1</sup>.

In 2006, the unemployment rates for men and women with no post-school qualifications (aged 25–64) were 2.9 and 1.3 percentage points higher than for those with some post-school qualifications. For those with a degree or higher, the difference in unemployment rates were even greater.

Participation rates for those with post-school education have also been found to be consistently around 15 percentage points higher than for those with no post-school education.

**Chart 4—Unemployment and educational attainment**



Source: ABS Census 2006

The core challenge for governments is to build responsive and effective education and training systems. This will create an environment in which individuals are able to develop skills in response to opportunities for employment and advancement.

<sup>1</sup> COAG National Reform Initiative Working Group, *Human Capital Reform: Report by the COAG National Reform Initiative Working Group*, 10 February 2006.

Working together to deliver  
greater accountability and  
better outcomes.

## COAG's Agenda for Productivity Reform

The Australian Government, through COAG, has committed to working with State and Territory Governments to lift Australia's productivity through an ambitious reform agenda in early childhood development, schooling, and skills and workforce development.

Following its meeting on 20 December 2007, COAG established seven high level working groups, each chaired by an Australian Government Minister with senior public servants from the Commonwealth and State and Territory Governments, to progress its 2008 work agenda.

The Working Group on the Productivity Agenda for education, skills, training and early childhood development (PAWG) is taking forward COAG's education reform agenda. The objectives of the PAWG are to:

- pursue substantial reform in the areas of education, skills and early childhood development;
- deliver significant improvements in human capital outcomes for all Australians; and
- strengthen Australia's economic and social foundations through the education reform agenda.

A key outcome from the work of the PAWG was the development of a national framework for education reform, which was endorsed by COAG at its meeting on 26 March 2008.

For the first time all Australian governments have agreed on a common framework that includes a comprehensive set of aspirations, outcomes, progress measures and future policy directions that will guide education systems across the nation, building on the initiatives currently underway across States and Territories.

These agreed aspirations and outcomes are informing the current efforts of the Working Group on the details for the new funding arrangements between the Commonwealth and the States and Territories for education.

Using this framework, COAG will also clarify responsibilities for schooling between the State and Territory governments and the Australian Government.

The policy directions agreed by COAG identify the key areas for collaborative national reform. They ensure that flexibility at the jurisdictional level is coupled with an evidence-based approach that clearly links to the agreed outcomes.

The framework also focuses clearly on the needs of disadvantaged Australians, to ensure that government action is making a real difference to their lives.

Most importantly, all governments have already agreed to a set of definitive, measurable targets that will guide the actions of policy makers and program managers. These targets will also provide the basis for true accountability by governments to the community. They are:

- Universal access to early learning will be provided for all children in the year before formal schooling by 2013.
- All Indigenous four year olds in remote Indigenous communities will have access to a quality early childhood education program in five years.
- The gap in mortality rates for Indigenous children under five years will be halved within a decade.
- The gap in reading, writing and numeracy for Indigenous students will be halved within a decade.

- By 2020, Year 12 or equivalent attainment will have risen to 90 per cent, and the gap between Indigenous and non-Indigenous attainment will have been halved.
- By 2020, the proportion of Australians aged between 20 and 64 without qualifications at the Certificate III level and above will be halved.
- By 2020, the number of diploma and advanced diploma completions will have doubled.

The agreed targets focus on the most important goals for reform in education and training. In particular, the targets focus all governments on the pressing and significant challenge of addressing Indigenous disadvantage.

## The broader COAG reform agenda

This productivity agenda forms a central part of a new framework for Commonwealth-State financial relations, agreed by COAG on 26 March 2008. The focus of the new framework is on shifting Commonwealth involvement from prescribing service delivery inputs by the States and Territories to agreeing on outcomes and outputs to be achieved and targets for improvement, in conjunction with clearer roles and responsibilities and greater accountability.

The framework will consist of an Intergovernmental Agreement between the Commonwealth and the States, with schedules covering funding arrangements in:

- healthcare
- disabilities services
- affordable housing
- early childhood development and schools
- vocational education and training.

These funding arrangements will be ongoing, with periodic reviews to ensure the maintenance of funding adequacy and the relevance of objectives.

The new Commonwealth-State financial framework will enhance accountability of governments to the community, sharpen the incentives for reform through new National Partnership payments, enable states to deploy Commonwealth Specific Purpose Payments more flexibly and reduce administration and compliance costs.

# The COAG Framework for the Productivity Agenda

## Participation & Productivity

Early childhood, education, skills and workforce development policies could boost participation by 0.7 percentage points, and productivity by up to 1.2 per cent by 2030 (PC 2006). This corresponds to an increase in GDP of around 2.2 per cent, or around \$26 billion in today's dollars.

ASPIRATIONS	Schooling	Skills and Workforce Development
<p><b>Early Childhood Development</b></p> <p>That children are born healthy and have access to the support, care and education throughout early childhood that equips them for life and learning, delivered in a way that actively engages parents, and meets the workforce participation needs of parents.</p>	<p>That all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy.</p>	<p>All working age Australians have the opportunity to develop the skills and qualifications needed, including through a responsive training system, to enable them to be effective participants in and contributors to the modern labour market.</p> <p>Individuals are assisted to overcome barriers to education, training and employment, and are motivated to acquire and utilise new skills, and Australian industry and businesses develop, harness and utilise the skills and abilities of the workforce</p>
<p><b>OUTCOMES</b></p> <p>Children are born healthy'</p> <p>Children acquire the basic skills for life and learning</p> <p>Children will benefit from better social inclusion and reduced disadvantage, especially Indigenous children</p> <p>All children have access to affordable, quality early childhood education in the year before formal schooling'</p> <p>Quality early childhood education and care supports participation of parents with children in the years before formal schooling</p>	<p>All children are engaged in and benefiting from schooling</p> <p>Young people are meeting basic literacy and numeracy standards and overall levels of literacy and numeracy achievement are improving</p> <p>Schooling promotes social inclusion and reduces educational disadvantage, especially Indigenous children</p> <p>Australian students excel by international standards</p> <p>Young people make a successful transition from school to work and further study</p>	<p>The working age population has gaps in foundation skills levels reduced to enable effective labour market and social participation</p> <p>The supply of skills provided by the national training system responds to meet changing demand for the labour market</p> <p>21st century capabilities required for the labour market</p> <p>Skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital</p>
<p><b>INDICATIVE PROGRESS MEASURES'</b></p> <p>Proportion of children born with low birth weight'</p> <p>Proportion of children with vulnerable, as identified by the Australian Early Development Index</p> <p>Proportion of disadvantaged three year olds in early childhood education</p> <p>Further performance measures need to be identified for children aged 18 months to 3 years'</p>	<p>Proportion of children enrolled in and attending school</p> <p>Literacy and numeracy achievement of Year 3, 5, 7 and 9 students in national testing</p> <p>Proportion of the 19 year old population having attained at least a Year 12 or equivalent or AUF Certificate II'</p> <p>Proportion of young people participating in post-school education or training six months after school</p> <p>Proportion of 18-24 year olds engaged in full-time employment, education or training at or above Certificate III</p>	<p>Literacy and numeracy achievement of working age people in national and international testing</p> <p>Proportion of 20-64 year olds with or working towards the post school qualifications in:</p> <ul style="list-style-type: none"> <li>• Cert III &amp; Cert IV (recognised)</li> <li>• Diploma &amp; Advanced Diploma</li> </ul> <p>Level and proportion of total investment in structured (including nationally recognised) training by individuals, businesses and governments</p> <p>Proportion of graduates employed after completing training</p> <p>Extent of skills shortages, recruitment difficulties and labour market vacancies</p> <p>Proportion of people employed at or above the level of their qualification</p>
<p><b>TARGETS</b></p> <p>COAG</p> <ul style="list-style-type: none"> <li>• Universal access to early learning for all four year olds by 2013</li> <li>• Halving the gap in mortality rates for Indigenous children under five years old within a decade'</li> <li>• In five years all Indigenous four year olds in remote Indigenous communities will have access to a quality early childhood education program'</li> </ul>	<ul style="list-style-type: none"> <li>• Lift the Year 12 or equivalent attainment rate to 90 per cent by 2020</li> <li>• Halve the gap for Indigenous students in reading, writing and numeracy within a decade</li> <li>• At least halve the gap for Indigenous students in Year 12 or equivalent attainment rates by 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Halve the proportion of Australians ages 20-64 without qualifications at Certificate III level and above by 50% between 2009 and 2020</li> <li>• Double the number of higher qualification completions (Diploma and Advanced Diploma) between 2009 and 2020</li> </ul>

Getting the basics right  
at school is fundamental  
to helping all Australian  
students reach their  
full potential.

# Schools as a key element of the Education Revolution

Schooling, along with early childhood development, is an important enabler of economic potential, and is central to helping Australian children to reach their individual potential. It is a key element of building a just and participative society. The basic literacy and numeracy skills developed in school provide the necessary foundation for developing higher order skills that contribute to a more productive workforce. Further, for most children school continues to be the primary environment for social engagement outside of their homes.

Completing schooling to Year 12 level is important not only as a pathway to further education, but because Australians who have not reached this level of attainment are significantly more likely to be unemployed than those who have<sup>2</sup>.

Higher educational attainment leads to significantly better wages, with each additional year of schooling being associated with around a 10 per cent increase in earnings<sup>3</sup>. It is likely that children who receive a better education are less likely to commit crimes in later life<sup>4</sup>. Low educational attainment is also associated with inter-generational poverty and poor social inclusion. High quality schooling is critical to the life chances of individuals and generates a range of economic, social and inter-generational benefits.

Indeed, improving upper secondary education attainment was one of the five policy priorities the OECD identified for Australia in its 2008 report, *Going for Growth*<sup>5</sup>.

Students who score badly on literacy and numeracy tests in Year 9 are more likely to be unemployed, and if they are employed, more likely to earn a low wage<sup>6</sup>.

Literacy and numeracy achievement is the most influential factor in Year 9 students staying on to complete Year 12 and the strongest predictor of tertiary entrance performance<sup>7</sup>.

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<sup>2</sup> Kennedy, S. 2007, *Full Employment in Australia and the Implications for Policy*, Address to the NSW Economic Society, 11 December.

<sup>3</sup> Leigh, Andrew. 2008. Returns to Education in Australia, *Economic Papers*.

<sup>4</sup> Lochner, Lance and Enrico Moretti. 2004. The Effect of Education on Crime: Evidence from Prison Inmates, Arrests, and Self-Reports, *American Economic Review*, 94(1): 155–189.

<sup>5</sup> Organisation for Economic Co-operation and Development 2008, *Going for Growth*, OECD Paris.

<sup>6</sup> Marks, G. and Fleming, N. 1998a. "Factors Influencing Youth Unemployment in Australia 1980–1994", Research Report 7. ACER: Melbourne [http://www.acer.edu.au/documents/LSAY\\_Isay7.pdf](http://www.acer.edu.au/documents/LSAY_Isay7.pdf) ; Marks, G. and Fleming, N. 1998b.

"Youth Earnings in Australia 1980–1994: A Comparison of Three Youth Cohorts", Research Report 8. ACER: Melbourne [http://www.acer.edu.au/documents/LSAY\\_Isay8.pdf](http://www.acer.edu.au/documents/LSAY_Isay8.pdf).

<sup>7</sup> McMillan, J and Marks, G. 2003, *School Leavers in Australia: Profiles and Pathways*, LSAY Research Report no. 31

Rothman, S. & McMillan, J. 2003, *Longitudinal Surveys of Australian Youth—Research Report 36: Influences on Achievement in Literacy and Numeracy*.

## Australia has a strong school system that delivers good results for many children

Australia boasts many excellent schools, as well as high-quality and dedicated teachers and principals. On average, and compared with other OECD countries, most Australian school students are performing well.

The OECD's Program for International Student Assessment (PISA) results for 2006 show that the average performance of 15 year olds continues to be significantly better than the OECD average.

## However, challenges remain

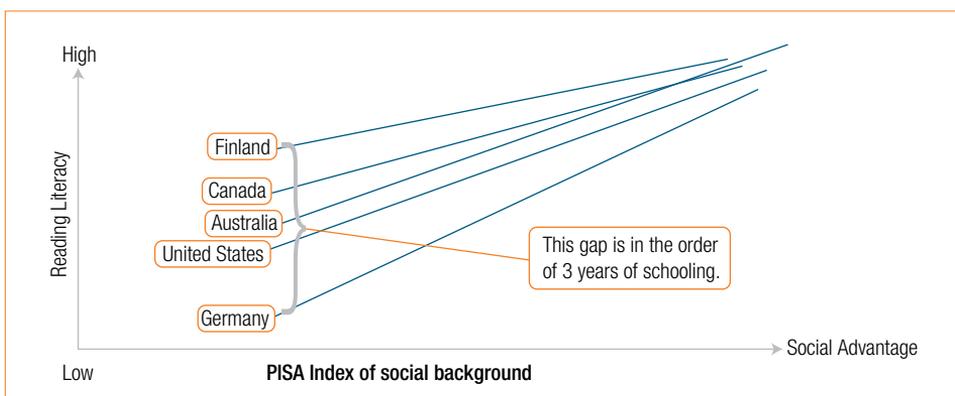
The performance of the Australian schooling system has been allowed to drop relative to that of other countries in the OECD:

- In the period between 2003 and 2006, Australia declined in both its absolute and relative performance in reading literacy.
- Australia has too long a 'tail' of underperformance linked to disadvantage. The PISA results indicate that over the last six years the percentage of students who are less than proficient at reading or maths has not reduced.
- International testing also shows that the reading performance of Australian students at the high end of the achievement scale has declined between 2003 and 2006.

The 'tail' of underperformance in Australian schools is concentrated amongst students from low socio-economic status (SES) families and Indigenous students. For example, the difference between Indigenous and non-Indigenous students in PISA mathematics and reading literacy is equivalent to more than two years of formal schooling.

The difference between students from the lowest SES quartile and those in the highest is also more than two years of schooling in both reading literacy and mathematics.

**Chart 5—Relationship between social background and achievement in PISA 2000 reading**



Source: Council for the Australian Federation 2007, Federalist Paper 2: The Future of Schooling in Australia, September based on OECD/UNESCO Institute for Statistics (2003) Literacy skills for the world of tomorrow: Further results from PISA 2000. Table 6.10, p.355.

Australian students in schools in remote locations achieve at a level equivalent to a year and a half lower than their metropolitan counterparts in all PISA assessment areas. The proportion of students in very remote areas reaching the Australian national benchmarks in literacy and numeracy is substantially lower than the proportion of metropolitan, provincial and remote students achieving these benchmarks.

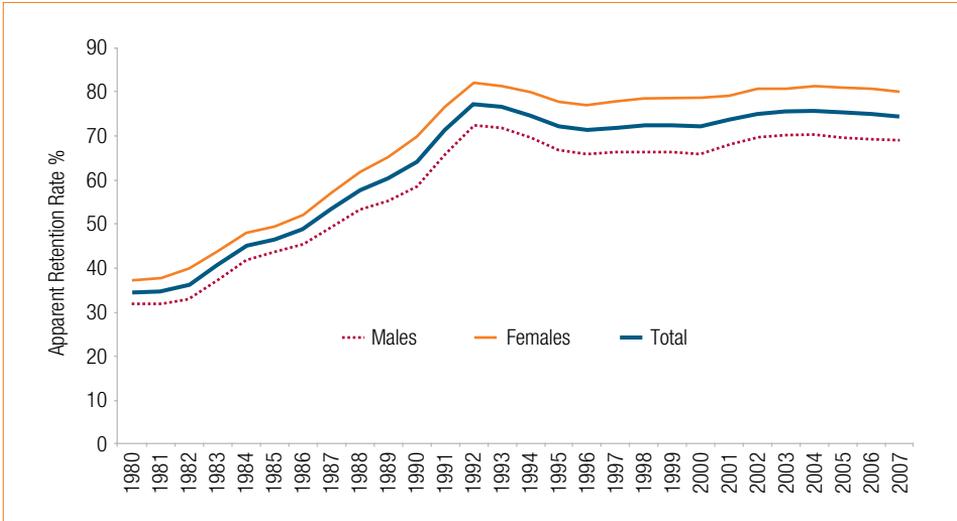
Similarly, the 2006 National Reading, Writing and Numeracy Benchmark results showed that the majority of Australian students in Years 3, 5 and 7 achieved the minimum benchmark standards in reading, writing and numeracy. However, levels of achievement amongst Indigenous students, and students living in very remote regions, remain significantly lower than the overall standard, as do literacy achievement levels for boys.

For example, the results for Indigenous students in Year 7 numeracy showed that less than half met the benchmark in 2006. 47 per cent of very remote students achieved the benchmark in Year 7 numeracy compared to 72 per cent of remote students.

Further, participation in upper secondary education in Australia is not high by international standards. While other OECD countries have progressively improved school completion rates, in Australia these rates have changed little over the past decade<sup>8</sup>.

<sup>8</sup> ABS 2007, *Schools Australia*, Cat No. 4221.0

**Chart 6—Apparent retention rates Year 7/8 to Year 12 1980 to 2007**



Source: ABS 2007, *Schools Australia*, Cat No. 4221.0

Australia is now ranked 20th in terms of the percentage of 25 to 34 year olds who have completed upper secondary education or its equivalent<sup>9</sup>.

## Completing Year 12 does make a difference

There is a well-established link between Year 12 completion and post-school achievement. Access Economics estimates that young people who leave school before Year 12 are approximately six times more likely to make a poor transition to post-school activities than those who complete senior schooling<sup>10</sup>.

Evidence across OECD nations demonstrates that completion of senior schooling, or its vocational equivalent, is a key factor influencing future economic opportunities and engagement in life long learning<sup>11</sup>. In Australia the incidence of unemployment among 20–24 year olds who have not completed upper secondary education or its equivalent is more than double for those who have<sup>12</sup>.

Early school leaving can also be correlated with significant personal and social costs, increased potential contact with the health and criminal justice systems, and intergenerational disadvantage<sup>13</sup>.

<sup>9</sup> Council for the Australian Federation 2007, *Federalist Paper 2: The Future of Schooling in Australia*, September, based on OECD (2006) *Education at a Glance*.

<sup>10</sup> Access Economics, "Youth Transitions Evidence base", unpublished report prepared for DEST, October 2006.

<sup>11</sup> Council for the Australian Federation, *Federalist Paper 2: "The Future of Schooling in Australia"*, September 2007.

<sup>12</sup> Sweet, R., "Education, Training and Employment in an International Perspective", presented at *New Transitions: Challenged Facing Australia's Youth*, 18 August 2006.

<sup>13</sup> COAG National Reform Initiative Working Group, "Human Capital Reform: Report by the COAG National Reform Initiative Working Group," 10 February 2006.

## Improving school outcomes is a national priority

All Australian children deserve the opportunity to get a good start in life through quality schooling and positive experiences in education.

We need to create an expectation in Australia that no child will be allowed to progress through the system without acquiring the skills and knowledge that the curriculum defines as appropriate for their age level.

We need a curriculum that is world-class, constantly refreshed and challenging.

We need to create a learning environment in all our schools that encourages innovation and excellence from our teachers, and engages students and parents in a learning partnership.

We need to work together to extend this to students with a disability and Indigenous students, who are too often failed by schools.

## Priorities for reform

The Australian Government considers that the COAG reform agenda must deliver real changes in three core areas:

1. Raising the quality of teaching in our schools.
2. Ensuring all students are benefitting from schooling by building strategies based on high expectations of attainment, engagement and transitions for every student, especially in disadvantaged school communities.
3. Improving transparency and accountability of schools and school systems at all levels.

In summary, we need to build a culture of high expectations in our schools for students and teachers. This culture must also be matched to effective transparency and accountability mechanisms that meet the needs of parents, policy makers and the broader community.

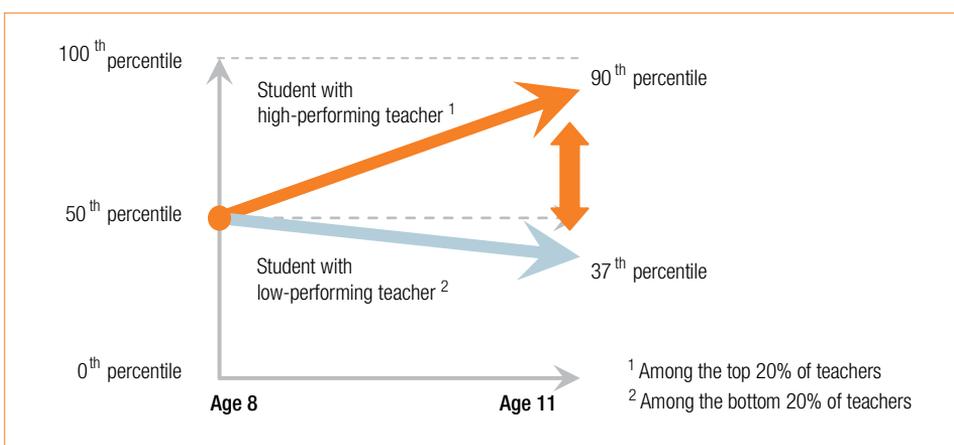
The quality of our  
classroom teachers is critical  
to giving every child the  
best start in life.

## High quality teaching in all schools

It is well established that teacher quality is the single greatest in-school influence on student engagement and results. In addition evidence indicates that improving the quality of the teaching workforce is fundamental to any overall improvements in schooling<sup>14</sup>.

The impact of teaching is cumulative—a poor-quality teacher not only imparts less knowledge for the period they teach the student, but can leave the student worse off when they later attempt higher level work<sup>15</sup>.

**Chart 7—Impact of teaching quality on student performance in the United States: 1996 (performance percentile)**



Source: Sanders & Rivers, *Cumulative and Residual Effects on Future Student Academic Achievement* (1996)

The 2007 McKinsey Report, which identified features common to the world's top-performing school systems, argues that the quality of an education system simply cannot exceed the quality of its teachers and that the only way to improve outcomes is to improve instruction<sup>16</sup>.

Canadian research has found that of school-based impacts on learning, leadership is second only to teaching and has the greatest impact in those schools where the learning needs of students are most acute<sup>17</sup>.

According to McKinsey, the best-performing systems also strive to get the right teachers to become principals, to develop their instructional leadership skills, and to focus their time on the core task of instructional leadership in the school.

<sup>14</sup> Hanushek, E.A. *Some Simple Analytics of School Quality*, National Bureau of Economic Research, Massachusetts, 2004.

<sup>15</sup> Sanders, W. L., & Rivers, J. C. *Cumulative and Residual Effects of teachers on Future Student Academic Achievement* University of Tennessee, 1996.

<sup>16</sup> Barber, M. & Mourshed, M. *How the World's Best Performing School Systems Come Out on Top*, McKinsey and Company, 2007.

<sup>17</sup> Leithwood, K., Seashore Louis, K., Anderson, S. & Wahlstrom, K. *How leadership Influences Student Learning*, 2004.

Research also demonstrates that one highly effective way to improve the quality of teaching is to increase the pool of potential teachers. This means improving pathways into teaching, improving recruitment and retention policies (that affect hiring, retention of quality teachers and removal of low performers) and linking pay and promotion more closely with teachers' performance<sup>18</sup>.

## A number of actions are already underway

At the request of the Australian Government, the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) has agreed to a number of actions to progress teacher quality. These include the development of a core set of **nationally-consistent teacher standards for literacy and numeracy and a system for accreditation of university teacher education courses**.

**As part of its \$1.2 billion Digital Education Revolution, the Australian Government is providing \$11.5 million to support professional development in information and communication technology, and \$32.6 million over two years to supply students and teachers** with online curriculum tools and resources.

The Australian Government, with the support of States and Territories, the non-government school sectors and education stakeholders, has also initiated the development of a national curriculum. This will initially involve English, mathematics, the sciences and history, and include the essential cross-disciplinary knowledge and skills that all students need from the first year of school through to Year 12.

## An agenda for high quality teaching

**Through COAG, Australian governments are developing a National Partnership on Quality Teaching that will implement reforms designed to:**

- **raise the average level of performance overall, by improving pathways into teaching, for example by developing a new scheme to recruit high-achieving graduates into teaching in partnership with business;**
- **support improvement in recruitment and retention policies (that affect hiring, retention of quality teachers and removal of low performers) and reward outstanding teacher performance; and**
- **allocate the right teachers and school leaders to the schools with high needs, by providing the right incentives and support.**

The Australian Government is committed to facilitating and rewarding reforms that will support systemic improvement in the quality of teaching.

A fundamental starting point is to clearly identify what we mean by excellence in teaching and school leadership; clear national standards against which teachers can be accredited and which provide support for effective performance management are one way to achieve this.

There is a growing recognition that the current system of remuneration based on qualifications and length of service needs reform in order to recognise and reward Australia's best teachers.

Many models have been proposed, such as the recent one advanced by the Business Council of Australia for higher salaries for accomplished teachers<sup>19</sup>. As employers of teachers, schools and school systems will carefully consider which of these approaches to take.

<sup>18</sup> Hanushek, E.A. & Rivkin, S. G. Pay, *Working Conditions and Teacher Quality* in *The Future of Children*, Vol.17, No. 1, Spring 2007.

<sup>19</sup> Business Council of Australia (2008) *Teaching Talent: The Best Teachers for Australia's Classrooms*.

It is clear that schools and school systems need to develop and implement world class remuneration and performance management systems as a matter of high priority. There is already much good practice across Australia. The Australian Government is committed to strengthening and supporting the implementation of reforms that bring about significant improvement.

More also needs to be done to attract talented individuals to the teaching profession and to ensure high-performing teachers and principals are working in those schools where they are needed and where they can have the biggest effect.

We also need to ensure that teachers spend their time doing what they do best—teaching. We should also consider whether specialist teachers and support staff will provide a better mix of skills in each school and the extent to which this will improve outcomes.

We can learn from the experiences of the Teach First program in the United Kingdom and Teach for America in the United States. These programs bring together business, charitable organisations and government to attract the best and brightest graduates to teaching in the hardest to staff schools. These graduates get accelerated teacher training, intensive mentoring and support, and future opportunities with some of the leading businesses in their country.

As well as supporting quality teaching, we must ensure that we are teaching young people the right things in the right way. This includes an early emphasis on literacy and numeracy—the foundations on which all further learning is built.

The National Curriculum Board, with the participation of States, Territories and non-government school system representatives, is working to develop this curriculum for Australia.

All students in Australian schools should have access to a comprehensive national curriculum that sets out the knowledge, understanding, skills and values they should acquire. Such a curriculum will establish what is needed for high standards of achievement, and for students to be fully prepared for life and work beyond school.

When parents, families  
and the community are  
engaged with schooling  
results improve across  
the board.

## Ensuring all children benefit from schooling

Too many young people fall behind during their time at school and leave the system without the knowledge or skills they need to participate successfully in the economy and the community. We need a system that supports high standards in every community, regardless of location or school sector.

Australia has a diverse school system, with excellence in all sectors. But too many children are getting an uneven start, compounding early disadvantage with schooling that does not put them on track to succeed.

If we are to achieve successful transitions into adulthood for all young Australians, we need to insist on a school system which achieves high standards for all, and offers every student a pathway to achievement.

The Australian Government is building a framework in which educational excellence and equity reinforce each other. This combination supports the growth of aspiration, engagement and achievement in every community regardless of its location or income.

To do this, we must ensure that the highest quality of teaching and learning is available in every school, and that there are targeted strategies in place to address and overcome the disadvantages that any child may bring to school.

Governments, school systems and schools need to address this challenge by working together to ensure all students are:

- achieving the essential skills they need in order to keep progressing through the curriculum;
- able to access a wider set of learning opportunities and community support, to strengthen their engagement with learning; and
- able to make a successful transition from Year 12 towards training, work and continued study.

### Achieving the essentials

All children need to master the basic literacy, numeracy, social and learning skills which equip them to take advantage of what education can offer them.

This requires a universal focus on getting the basics right. We need to take an approach which combines high expectations of achievement with individually tailored learning opportunities. This does not preclude a focus on common targets for outcomes across schools and student bodies, but the focus must be on student-centred learning against clear standards.

We know that a strong focus on core skills, especially numeracy and literacy in the early years, is necessary to ensure that future learning is successful. To achieve this, school leaders need the autonomy and incentive to implement local approaches, such as specialised teachers and the use of individualised data to ensure that students are not losing their footing in education.

We will be working with States, Territories and school systems to invest in approaches which lift performance for all students in literacy and numeracy. These approaches will embed high-quality teaching and the use of student data in evidence-based, whole of school approaches to improvement.

We also need to work towards preventing and reducing concentrations of students without basic literacy, numeracy, IT and learning skills who have little chance of successfully making transitions later in their education.

For example, recent studies of Victorian school data have analysed changes in school composition across the State and its impact on student outcomes<sup>20</sup>. This analysis shows that more successful and motivated students are migrating to schools that have stronger histories of academic success and are growing as a result. On the other side of the ledger, less successful and motivated students, by virtue of lack of choice and information, are being left in shrinking, struggling schools. These trends appear to be combining to produce areas of educational deprivation that warrant a policy response.

## Strengthened engagement with learning

There is growing recognition of the relationship between student wellbeing and academic achievement.

When schools are able to focus on the wider needs of students within and beyond the school to support their wellbeing, schools not only commit to excellence in teaching and learning within the classroom but are also prepared to address the range of external factors that affect students' ability to engage in learning.

High-quality schooling is critical to improving the life chances of individuals. It brings with it a range of economic, social and intergenerational benefits. Schools with high levels of parent and community involvement achieve improved student learning, attendance and behaviour. Family and community involvement in schools is therefore central to high quality education.

Robert Putnam of Harvard University has demonstrated the importance of social capital for community building<sup>21</sup>. Social capital is sometimes referred to as the 'glue' which holds society together, reflecting the richness of the connections between people and the extent to which they share norms of trust and cooperation.

The OECD<sup>22</sup> recognises that social interaction and trust are very important to schooling. When social connections and trust are high, schools can rely on strong social support in pursuit of their goals. On the other hand, if these are low or absent, schools (and teachers) can end up tackling the challenging task of replacing traditional sources of social interaction and trust-building.

## Extended models of schooling

Extended and 'full service' models of schooling are an exciting part of this developing movement towards greater community engagement in educational achievement. They are an important element of a strategy to overcome disadvantage in school communities.

Many schools are already active in developing external partnerships with parents, other schools, businesses and communities. Local and international experience tells us that increased funding on a 'business as usual' basis will not, by itself, substantially lift educational outcomes particularly in low SES communities.

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<sup>20</sup> Lamb, S. *School Reform and Inequality in Urban Australia: A Case of Residualising the Poor*. In R. Teese, S. Lamb & M. Duru-Bellat (Eds.), *International Studies in Educational Inequality, Theory and Policy* (Vol. 3, pp. 1–38). Netherlands, 2007. Keating, J., & Lamb, S. *Public Education and the Australia Community*. Paper presented at the "The Case for Change in Australian Schooling Arrangements: A Way Forward" Conference, 2004.

<sup>21</sup> Putnam, R. (2000) *Bowling Alone: The Collapse and Revival of American Community*, New York: Simon & Schuster.

<sup>22</sup> OECD Centre for Educational Research and Innovation (2007) *What is shaping the future of Education?* OECD, Paris.

High quality staff, strong performance management systems and strong school accountability are essential pre-requisites. Greater flexibility for the school to foster and develop external partnerships—with parents, local communities, other service providers, other schools and businesses—which contribute to improved student well-being and learning outcomes is also necessary.

These elements come together in the idea of 'extended schools'—schools that focus on the wider needs of students, within and beyond the school, to support their wellbeing, learning engagement and academic achievement; schools that not only commit to excellence in teaching and learning within the classroom, but are prepared to address the range of external factors that impact on students' ability to engage in learning.

The United Kingdom's full service extended schools initiative supports the development in every local authority area of one or more schools which provide a comprehensive range of services on a single site. These include access to health services, adult learning and community activities, as well as study support and 8am to 6pm 'wrap-around' childcare.

The national evaluation of the initiative found positive impacts on the attainment of students at these schools, particularly those facing difficulties<sup>23</sup>. In addition, full-service extended schools provide benefits for families and local people, and positive effects are also evident in local communities as a whole.

The national evaluation also showed that bringing together different strands of extended service provision into a coherent whole leads to outcomes over and above what the individual activities might have generated in isolation.

## Improved transitions from school to further skills

Each year around 45,000 to 50,000 early school leavers are not going into full-time work, full-time learning or a combination of work and study. In May 2007, there were 306,000 15–24-year-olds were unemployed, working part-time but wanting more hours, or not in the labour force but wanting to work<sup>24</sup>.

Evidence shows that students with low literacy and numeracy skills, those with a disability, those from a low socio-economic background, and Indigenous people are less likely to finish school<sup>25</sup>.

Educational institutions, particularly schools, are the key mechanisms for government to influence how successfully young people transition to adulthood. Young people spend many of their formative years in school, and should receive the information and advice they need to inform their post-school choices.

This is why all Australian governments, through COAG, have made a commitment to lift the Year 12 or equivalent attainment rate to 90 per cent by 2020.

More students will complete Year 12 when education becomes more broadly attractive and relevant. For example, improved access to vocational education and training (VET) in schools can make schooling more relevant for the large numbers of students who do not go on to university.

<sup>23</sup> Cummings, C., Dyson, A., Muijs, D., Papps, I., Pearson, D., Raffo, C., Tiplady, L., Todd, L., and Crowther, D. (2007) *Evaluation of the full service extended schools initiative: Final Report*, University of Manchester.

<sup>24</sup> Dusseldorp Skills Forum, *It's Crunch Time: Raising Youth Engagement and Attainment*, August 2007.

<sup>25</sup> Access Economics, Youth Transitions Evidence base, unpublished report prepared for DEST, October 2006.

## Our Education Revolution is improving student engagement and attainment

Building excellent educational provision for all students, and offering the best possible support for their transitions into adulthood and employment, is an essential part of the Education Revolution.

The Australian Government is committed to ensuring that young people receive the assistance they need in their post-school transitions. A holistic approach involving complementary initiatives across the early childhood, schools, higher education and VET sectors will seek to ensure that each student has the opportunities and necessary support to reach their potential.

The Australian Government has already put in place a range of new initiatives that will support higher levels of educational attainment at school and promote effective transitions from school to further education or work.

The \$2.5 billion commitment to build Trade Training Centres in secondary schools will increase retention rates, improve transitions to work, and help to address skills shortages through improving the quality and industry relevance of VET in schools. We have already provided \$90 million to 34 lead schools, benefiting a total of 96 schools across the country.

The \$1.2 billion Digital Education Revolution will contribute to sustainable and meaningful change in teaching and learning in schools. It will prepare students for further education and training for the jobs of the future, and to live and work in a digital world. We have already provided \$116 million to 896 secondary schools across Australia, which will fund 116,820 new computers.

The National Asian Languages and Studies in Schools Program will provide \$62.4 million over three years from 2008–09 to expand opportunities for students to become proficient in an Asian language. This is an increasingly valuable skill for Australian businesses and workers. This program will support the study of Japanese, Indonesian, Mandarin and Korean languages by providing additional Asian language classes in high schools and additional teacher training and support.

The Government has also acted to encourage school students to consider maths and science-related careers by providing \$625.8 million over four years to reduce the HECS rate for maths and science students. The rate will be reduced from \$7,260 to \$4,077 (the national priority rate). This reflects the national importance of maths and science and aims to encourage more students to study these disciplines.

New maths and science graduates will also be eligible for a 50 per cent reduction in their HECS repayments if they pursue a career in the field, including teaching. This will help to ensure that more graduates stay in maths and science professions and will address the critical teacher shortage in these areas.

The School Grants for On-the-Job Training initiative commits \$98 million over four years for grants of up to \$10,000 to schools. These grants will enable VET students in Years 9 to 12 to access one day a week of on-the-job training for 20 weeks a year. This will provide real work experience and make graduating students more attractive to employers.

The Mentors for Our Students initiative will provide \$5 million over four years to engage recently-retired tradespeople, para-professionals and professionals to pass on skills and industry knowledge to young people in critical skills shortage areas. Again, this initiative is designed to increase students' employability skills. Grants of up to \$50,000 each year will be available to 25 communities on a competitive basis.

The Improved School-Business Linkages initiative will provide \$6.4 million over four years to establish innovative VET programs for young people in schools. These programs will broaden their learning options, increase their interest in education, and promote Year 12 attainment.

These initiatives are designed to support schools and school systems to ensure that, over time, all secondary school students have access to:

- relevant and comprehensive careers advice and guidance;
- individualised learning and career plans; and
- a range of alternative education programs, including pathways linked to VET and University.

Schools must help our students to realise the value of completing Year 12.

## What does the COAG agenda need to deliver?

All governments have signed up to outcomes, outputs, targets and policy directions through the COAG Productivity Agenda Working Group (PAWG). This means that a shared commitment exists across governments and sectors to improving outcomes and equity for all students, and to meeting the challenges outlined in this document. This can only be achieved if a supportive framework exists to underpin sustained national effort that translates into real improvement in schools.

Addressing educational disadvantage arising from low socio-economic status will require sustained effort involving a suite of reforms to fundamentally transform the way schooling takes place in participating schools.

The United Kingdom's full service extended schools initiative demonstrates the importance of allowing schools to develop tailored plans that meet the priorities of the local area by bringing different strands of extended service provision together into a coherent approach.

Ensuring that every child throughout Australia receives high quality schooling, and making Australia's school system one of the very best in the world, is not something that governments, authorities, or even the teaching profession can do on their own. It requires the engagement of communities throughout the nation and the participation of all. This is especially important since we know that parents and families affect student outcomes at least as much as the quality of teaching in schools.

The Australian Government will work through COAG and the PAWG to ensure the development and implementation of reforms that:

- Develop new national standards for teachers and school leaders and enable accreditation of high performing, highly accomplished teachers.
- Develop new ways of recruiting high achieving graduates into teaching, in partnership with business.
- Facilitate and reward reforms which improve the career pathways available to teachers and the performance culture in schools.
- Provide more funding and greater discretion to those school leaders and local school communities facing the greatest education disadvantage to employ strategies that address the particular challenges they face.
- Achieve stronger links between the schools and the services available in local communities that will support their students' engagement in learning.

Through these and other collaborative reforms we aim to empower all schools to improve their performance and create a culture of high expectations that makes it unacceptable for a child to fail to attain the skills and knowledge necessary to be an active participant in society.

Accurate information on how students and schools are performing tells us what needs to be done. It helps us target extra resources and efforts where they are needed.

# Transparency and Accountability

All Australians have a right to expect governments to be accountable for the programs and services they provide. The Australian Government, in pursuing a new way of working with the States and Territories, is committed to increased accountability and transparency in all areas of shared activity: not just for the dollars that are spent by governments, but critically, for the level of service that they deliver.

In schooling, all Australian governments share the objective of raising overall attainment so that all students acquire the knowledge and skills they need to participate effectively in society. In support of this objective, the Australian Government is working with State and Territory Governments to develop a strong and transparent data and reporting framework for student and school performance, which provides:

- Parents with clear information about the performance of their child and their child's school.
- Comparative information about schools' performance, which is required to support the COAG-agreed outcomes. Particularly important is the literacy and numeracy performance of like schools, given that achievement here is arguably the most critical factor in young people staying on to attain a Year 12 qualification.
- Performance data about schools and school systems, which is necessary to build a substantive evidence base to show what works and to support future improvements.

Clear accountability helps create a learning environment that encourages innovation and excellence from school leaders, teachers and students. It also means that students, parents and teachers have the evidence they need to make informed choices.

There is good evidence, primarily from the United States and the OECD's Program for International Student Assessment (PISA), that the publication of school-level test scores tends to improve the performance of all schools<sup>26</sup>.

Access to timely and robust performance information is crucial so that governments can use the information gleaned from high-performing schools to help under-performing schools. Clear reporting about the performance of public services is consistent with the Australian Government's commitment to more open and transparent governance.

## Greater accountability to parents

All Australian governments have already committed to improving the public reporting of schools' performance.

The Australian Government has made clear commitments to provide a more robust and open picture of school and student performance in this country, and to ensure that this is easily comprehended by parents and the community.

<sup>26</sup> See for example Hanushek, Eric A. and Raymond, Margaret E. (2006) "School Accountability and Student Performance", Federal Reserve Bank of St Louis Regional Economic Development, vol. 2 (1) 2006 accessed on 15 February 2006 at <http://edpro.stanford.edu/hanushek/admin/pages/files/uploads/HanushekRaymond.pdf>. Carnoy, Martin and Loeb, Susanna. "Does External Accountability Affect Student Outcomes? A Cross-State Analysis", *Educational Evaluation and Policy Analysis*, Winter 2002, Vol. 24, No. 4, pp. 305–331. Hanushek, Eric and Raymond, Margaret, "Does School Accountability Lead to Improved Student Performance?" *Journal of Policy Analysis and Management* 24(2), Spring 2005, pp. 297–327. OECD, PISA 2006: Science Competencies for Tomorrow's World.

The States and Territories have also made commitments about reporting of performance in *The Future of Schooling in Australia* report released by the Council for the Australian Federation in September 2007.

The focus must be on providing parents with clear, meaningful and comparable information about student achievement across all areas of the curriculum in a format that is nationally consistent. Parents are entitled to honest judgments about how students are progressing at school, and without this clear communication, learning cannot be effective.

Schools should also be able to provide information, on an annual basis, on student characteristics and backgrounds, student outcomes, especially literacy and numeracy achievement, the level of student attendance, income and funding sources, and satisfaction levels of parents, students and teachers.

Being explicit about how schools perform against 'like schools' serving comparable student groups, and about the value that they add through improvement over time, is essential to building a system in which effort and resources are directed to the needs of every learner.

## Finding out what matters and what works

Australia does not have any national data or reporting framework that can be easily and properly applied to all schools. This is a legacy of past, divisive education policies and of the fragmented nature of Commonwealth-State relations.

A key reform objective for the Australian Government is, therefore, to work with its State and Territory counterparts to establish a new era of accountability and transparency, using nationally agreed measures to clarify the needs and achievements of our schools. At a minimum, this framework will encompass nationally available data, school by school, which shows the socio-economic status and numbers of Indigenous children, children with disabilities and children from non-English speaking backgrounds (especially recently-arrived migrants and refugees), together with data from the Australian Early Development Index, which captures information about physical and emotional development of children, so we can ascertain the mix of capacities and needs that children bring to school.

Such rich information will contribute to greater understanding of what schools should offer students and how governments and communities can work together to support schools in their task. It will allow us to compare experiences and results, especially between like schools, to understand different patterns of disadvantage and identify teaching practices which are particularly effective so they can be shared.

It will also enable governments to target additional resources to schools which cater for students and communities in greatest need.

As a first step, the Australian Government's 2008–09 Budget committed funding to establish a National School Assessment and Data Centre to ensure that performance measurement, data collection and reporting for school systems are carried out in an effective, independent and transparent way.

This centre will operate according to protocols and standards agreed by the Commonwealth, State and Territory governments, and which reflect the shared commitments of all school systems in Australia. Importantly, it will detail the performance of all schools in Australia. This will allow reliable measurement of student needs and educational outcomes. This is essential to ensuring that governments' and schools' efforts and resources are targeted to where they are needed most and can have the biggest effect.

## What schooling needs to deliver for Australia

The COAG Productivity Agenda Working Group has defined, for the first time, the overarching outcomes, targets and performance measures that have been agreed by all Australian governments as a common framework for reform in schooling, a key step in the Education Revolution.

The COAG reform agenda is a significant opportunity to deliver on our collective commitment to report on school performance in more meaningful ways. The Australian Government is moving away from the overly prescriptive approach of the past over how the States and Territories should deliver services.

Accountability for performance under the new Commonwealth-State agreements will instead be achieved through significantly improved public reporting, focussing on key outcomes to be achieved by Australia's schooling system.

Greater transparency and accountability is the only way to help us move beyond an education debate that, until now, has overwhelmingly focused on inputs rather than student outcomes and has been run along sectoral lines.

All governments acknowledge that we cannot hope to achieve the ambitious COAG schooling outcomes and targets unless we put this stale debate behind us.

We need a world-class education system to build a stronger future and a fairer Australia ready to face the challenges of a globally competitive world.

## We cannot afford to delay

We know the difference that improved schooling can make. Sustaining the economy's growth rate in the future will depend on increasing our productive capacity, and in particular the productivity of Australian workers. By expanding the productive capacity of the economy we will be able to lift the living standards of all Australians.

In 2005, the Dusseldorp Skills Forum, together with the Business Council of Australia, published a study which estimated that a 10 per cent increase in Year 12 or apprenticeship completion by 2010 would boost annual GDP by 1.1 per cent by 2040 as a result of increased labour force participation and improved workforce productivity<sup>27</sup>.

The key to improving outcomes and achieving these benefits lies in redressing disadvantage and hence reducing the under-performing 'tail', and improving the quality of teaching to raise the performance of all. In other words, we must simultaneously deliver equity and excellence in our schools.

This can only be achieved, however, with a concerted and united national effort that focuses on improving the productivity of all Australian schools. Much is already in train under the umbrella of the agreements that COAG has reached.

The Productivity Agenda Working Group is currently finalising a reform proposal to improve the quality of teaching in schools. This proposal will include incentives and supporting structures to address key priorities including greater flexibility and innovation in teacher recruitment, training, management, professional development and incentives.

A further reform proposal focused on the needs of low-SES school communities will target our neediest schools for reform. These reforms include initiatives to attract high-performing principals and teachers to these schools, increased operational flexibility and capacity for school-led innovation, strengthened collaboration between schools and wider communities and greater capacity for innovation and flexibility in tailoring support for students.

The 2008–09 Budget announced funding to develop a National Action Plan for Literacy and Numeracy to improve literacy and numeracy outcomes. Work is underway with the States and Territories to define strategies and goals to be pursued through the action plan to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are falling behind.

The Australian Government has also sought the cooperation of States and Territories for the Computers in Schools initiative under the Digital Education Revolution. This initiative will ensure that all senior secondary students have access to modern tools that will equip them to take part in the modern workplace.

These reforms all have a clear focus on addressing the needs of the most disadvantaged in our society. A particular focus will be the needs of Indigenous Australians, many of whom continue to be failed by our schools and school systems.

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<sup>27</sup> Access Economics Pty Ltd, "The Economic Benefit of Increased Participation in Education and Training", commissioned by the Dusseldorp Skills Forum and the Business Council of Australia, 2005.

In large measure, the implementation of the reforms relies on the ambition of States and Territories and their willingness to apply reform to their roles of:

- employers of a substantial share of the teacher workforce;
- managers of significant school systems; and
- funders and regulators of all schools.

The Australian Government is willing to support those States and Territories that undertake substantial reform through additional targeted resources and greater flexibility in the use of existing Commonwealth funding for schools.

## **Conclusion**

As other countries continue to advance, we cannot afford to delay. With such opportunities as the new Commonwealth-State financial framework, the introduction of the national curriculum from 2010, and the national goals to be finalised later this year, we have a unique chance to get on with the job.

It is time for all stakeholders in schooling, in all jurisdictions and sectors, to engage in a vigorous dialogue and to take action to ensure that every child gets an excellent education and that every school is a great school.



