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Minister for Education and Training
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TRANSCRIPT

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Webinar address and Q&A with the Australian Parents Council

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Shelley Hill: Hi, Minister Birmingham. It's Shelley here calling – I'm the president of the Australian Parents Council and we'd like to thank you very much for your time this evening in being able to join us and speak to the parents of the six APC affiliates that we have online this evening. And we're very pleased that you could make time this evening to speak with them.

Simon Birmingham: Thanks, Shelley. Look I'm really thrilled to be able to do this and to have a chance to speak directly with parents and hopefully to address some of your questions and give you a pointer in where you can get further information.

Shelley Hill: Fantastic, thank you. Well, I think we're a little bit late – we're 10 minutes overdue, so we won't take up much of your time and if we could begin with the first question. Is there a simple explanation of the model that we can share with parents?

Simon Birmingham: Absolutely Shelley. Look there are a number of fact sheets around \$18.6 billion *Quality Schools* program, that seeks to give effect to the Gonski school funding reforms. Those fact sheets are available at education.govt.au/qualityschools and I'd really encourage people to have a look at them. There will be a new one hopefully added fairly soon that goes specifically to how it is the Schooling Resource Standard is calculated for each school. But in essence, the Gonski Review recommended that we have a Schooling Resource Standard with a base level of funding for each student, and then loadings that are applied depending on the composition of a school community and the number of students they have from socio-educational disadvantaged families, students of Indigenous background, students with a disability, students from language backgrounds other than English, or whether the school is a smaller, rural, regional or remote school that might have higher cost pressures as a result of that. So all of that goes into creating a single Schooling Resource Standard.

Our proposal is to increase the share of that theoretical Schooling Resource Standard that the Federal Government pays, for both government schools and for non-government schools. And for government schools we're going to grow that over the next 10-years steadily to an historic high of paying 20 per cent of that Schooling Resource Standard, consistently across each state and territory. But because it's calculated based on the need of each individual school, the end result of that is of course that we pay more, for example, per student in the Northern Territory than we do in Victoria because you have more circumstances of greater need in that jurisdiction. But it will still be, ultimately, a consistent application – a 20 per cent share by the Federal Government – of that Schooling Resource Standard; which is well above historically where Federal contributions to government schools have been. And of course on the non-government side, we're going to level it out at 80 per cent. For most non-government schools that means growth in contribution; for a smaller number it means they actually come down a little bit to get to that 80 per cent standard contribution – and that just reflects of course the historical arrangements of the Federal Government primarily being the main government funder for non-government schools, whilst the states and territories are the primary government funder for government schools. But as I say, we will be making a contribution that is higher than has ever been the case before in the history of the Federation.

Shelley Hill: Thank you. Can I just ask one question which was posed to me today? The non-government school contribution will be up to 80 per cent of the School Resource Standard for non-government schools, what happens with the loadings? Are they on the same- calculated the same way?

Simon Birmingham: [Talks over] Yep.

Shelley Hill: Or are they different?

Simon Birmingham: Sure, Shelley. So the model is exactly the same, except for one feature, which is the base per student funding is for non-Government schools discounted by a determined capacity to contribute measure. And that's where talk about SES scores, or socio-economic status comes in, which is basically where we use school data and Census data, merge that together to create an SES score for a school. And schools who serve communities that are less well-off receive more funding or a greater share of their Schooling Resource Standard base funding; schools who serve communities that are more affluent receive less of that base amount. But it's only the base amount that is impacted in the calculation of the schooling resource standard by that capacity to contribute measure using the SES scores, not the loadings.

So I know that's probably very complicated for many parents who might listen to a lot of jargon there about schooling resource standards and socio-economic status scores and so on. To your particular point, the loadings themselves for students with a disability, for Indigenous students, or the others that I went through before, they're not impacted by the SES scores or by any discounting factor. They're applied equally across government and non-government schools. It's the base amount that is affected by the discount factor.

Shelley Hill: Okay, thank you very much for that. If we could move onto the second question which is a [indistinct] fronting model – gives us some surety – but what will be in the legislation that will ensure it survives to the [indistinct] despite election and budget cycles.

Simon Birmingham: Sure. So, obviously Parliaments can change legislation, but legislation is much harder to change than different deals or agreements that are struck outside of legislation. What we are proposing is that essentially all of this arrangement will be embedded as the minimum funding in the legislation. So the transition to grow the share to 20 per cent of funding for government schools, to provide 80 per cent of the discounted schooling resource standard for non-government schools. All of that is locked into the legislation, how schools transition is locked in, the methodology around the schooling resource standard is all in the legislation and the regulations that underpin it. None of it will be dependent upon deals that sit outside of the legislative framework so what that means is that schools can have certainty about how they'll transition over those 10 years. And of course the indexation frameworks are actually enduring. So the legislation isn't really just for 10 years, the legislation seeks to provide an enduring platform that brings everybody to a common Federal Government standard and then endures thereafter with a common indexation formula applied. So future Parliaments could come and change the legislation, that's highly unlikely if they were looking to go backwards and would actually be simply setting it up so that it is a minimum. And if a future government wanted to spend more, to do more, well they would be able to do that even without having to necessarily change the legislation.

Shelley Hill: Okay. And that's very reassuring to parents, because it's one of those things where we don't have much say in the budget cycle and the election cycle. And yet we seem to be the ones who have to adjust to any changes that are made. So surety of funding in the long-term is really appreciated I think for parents and working out the affordability of their children attending our schools. So that would be good. Can I- and I'm asking all the questions and all of the other people aren't.

Simon Birmingham: No, no. That's- look, Shelley that's- it's why we want to provide that certainty for people. I'm a Senator so I can tell everybody it's not easy to get changes to laws through the Senate and that's why we think that's a better methodology for us to use rather than a circumstance where things hang off of deals that then require- four yearly re-negotiations, or all those sorts of uncertainties.

Shelley Hill: And what is the- can you, can you...

Simon Birmingham: Can I just check, Shelley. I'm assuming you can still see me because my screens blanked out. But I'm assuming it's still working at your end.

Shelley Hill: Kind of. It's a bit, it's a bit hit and miss. I hope you can hear me now.

Simon Birmingham: I can hear you. That's cool.

Shelley Hill: Okay. Could you describe to us what happens over the next couple of months? What is the- it went before the House of Representatives yesterday I think; now what is the process that we can expect over the next couple of months?

Simon Birmingham: Sure. So the debate is still ongoing in the House of Representatives, and I expect that will come to a vote early next week. So it should pass through the House of Representatives, obviously the Government has the numbers there so I trust that it will. There's a Senate inquiry that's already called for submissions, and I would urge people who think that the fundamentals of this reform – to actually truly apply a consistent approach, a long term model needs-based funding – I'd urge people of course to make submissions into that Senate inquiry and give voice to that support. They have some time still to be able to make those submissions. The Senate inquiry will undertake probably a day or two's worth of hearings from interested parties which will happen most likely the week after next; that Senate inquiry will then report back to the Senate by the 14th of June. And then there are five or six Senate sitting days left in this session of Parliament, during which time I hope and trust that the Senate will consider the legislation after getting that Senate inquiry back. Hopefully pass the legislation, and then we'll have absolute certainty for everybody by the end of June. Touch wood.

Shelley Hill: That's quick actually. What happens if it doesn't get passed, what happens to funding next year?

Simon Birmingham: Sure. So, two points there. Obviously if it doesn't get dealt with in this session of Parliament, well then we'll try and resolve the matter come August. I'm very keen for that not to happen because I really want people to have certainty as soon as possible, particularly for those schools especially stand-alone schools, but also the systemic schools who need to really be undertaking some of their planning for next year. And this gives them strong certainty. If it doesn't pass, then the Government has a number of decisions that we have to make. It would be highly unlikely that we'd make decisions that saw us spend any more money, because obviously we're investing more to try to achieve reform that cleans up the mess of current funding models and so on that we currently have. And we're happy to invest more to get that reform, to get a better model in place. If it didn't pass, well then we have some existing obligations under the legislation which for government schools are uncertain for a number of states and territories. There are only three states and territories who are deemed as participating states under the current legislation. So, they would have some degree of certainty as to how they'd be indexed, but that is less than what our model would deliver in terms of funding growth. And the others would probably only be in a position to share in essentially the funding that might be left, which would be indexation even below those participating states. So in that sense, the legislation we're proposing, it gives far stronger funding flow to some of those needier schools into the future than the default would provide for.

Shelley Hill: Okay, thank you. I think we'll get back onto the question I was supposed to asking you. You've said that states and territories will be required to maintain funding. In a non-government sector what does that mean, as not many of them get 20 per cent funding to non-government schools, and how is the Commonwealth Government working to ensure that these obligations are met?

Simon Birmingham: Yup. Well, the states and territories will be held to account for maintaining the real level of their current contribution. Now whether that gets a school sector up to 100 per cent of the Schooling Resource Standard, be it government or non-government, is a matter for that state or territory. We will be providing a consistent share and we will say that based on 2017 contributions, states and territories need to ensure that they maintain their real effort as indexed – as we index the Schooling Resource Standard to keep up with wages and to keep up with inflation, we will require the states and territories to index their contributions – and we'll require them to do that across both the government and the non-government sector, and if they fail to do so we're ensuring the legislation gives us a capacity to be able to withhold some federal funding as a penalty for them failing to do so.

So I guess the safeguard we're putting in is that as we tip extra dollars into all schooling sectors, they're not able to withdraw dollars at the same time that there will be a real increase in resourcing. But then, we hope the transparency of our model and the consistency of it means that government school advocates, non-government school advocates, will be able to more effectively hold states to account for their own long-term funding decisions. And the question of why one sector in one state might receive 100 per cent of the Schooling Resource Standard and one sector in another state doesn't won't be because the Federal Government's treating them any differently, because we'll be treating everybody the same. It will be because one state government has decided to invest more in that state relative to another state government in their state. And that we're trying to bring a degree of accountability back to the states in that regard, to their constituent bodies, to their teachers, to their communities.

Shelley Hill: Gee that's complicated.

Simon Birmingham: [Laughs] I'm sorry I'm trying to make it as simple as possible.

Shelley Hill: It's complicated in the sense that when you think of all of those things that have to form a line and work, and everyone has work through, it's complicated to see how it's a- you have to do it in a very tight timeframe to be able to get it to go through next year. And everyone's going to work through all of these things, so I suppose from our perspective it's when they're doing this, we are hoping and expecting that they are taking into account the impact that it's going to have on families' budgets. So that's really our main concern.

Simon Birmingham: Yeah. And I guess, Shelley let me- it's- they're big reforms in many ways yet the actual impact for schools and school communities is fairly simple when you boil it all down. For- of the 9,500 schools around Australia, more than 9,000 of them will see funding growth in excess of 3.5 per cent per student. So, in simple terms if you're planning your school budget for next year and you're thinking about what the impacts are, more than 9,000 out of around 9,500 schools – around 9,400 actually-odd to be precise – will see funding growth of 3.5 per cent or more. Around 4500 of those 9000 schools will actually see funding growth of around 5 per cent per student.

And so, yes, we're cleaning up a lot of inconsistencies, but because we're tipping an extra \$18.6 billion in over the next 10 years, it means that the impact of those schools as we clean up the inconsistencies in the funding models is relatively modest. Schools that are treated really badly at present will see a great impact and strong growth in their funding as they get a much fairer deal; schools who get a pretty good deal already will simply, in most instances, see that they continue to get at least 3.5 per cent growth through the life of the funding model. So in that sense the impact for parents who are in non-government schools and paying fees, they shouldn't in most cases notice much difference. In some cases, there might be a cause as to why fees could come down or not have to increase over the next few years. In a handful of cases, yes there could be some cause as to why some fees might have to modestly increase to deal with bringing those schools down a bit, but that is a very small number relative to the very large number of government and non-government schools around the country.

Shelley Hill: Okay, thank you. And ... kind of a follow up question to that one: your funding announcement in *Quality Schools* papers talks about funding being tied to reforms. How will this work in the non-government sector and will schools and/or systems be required to comply with them? What, as a parent, will we see start to see as making a difference?

Simon Birmingham: Yep, so we will work through in a very collaborative process with the states, the territories and the non-government sector bodies as to how reforms will be designed and the direction they'll take. What we want to do is have David Gonski undertake this second piece of work looking at school quality and school reform options and that will report by the end of this year; and then we'll have constructive conversations in the first half of next year with the states, territories and non-government sector about what the reform priorities really are based on David's work. I hope there'll be, to ensure we have real drivers of evidence-based practice going into our schools into the future. And by that actually guaranteeing that there are ongoing thorough processes for how the curriculum should be taught, what the best practice methods for teachers to undertake are, what are the best programs for them to use in classrooms, what are the best assessment tools and methodologies that teachers can have confidence those things have all been thoroughly assessed and researched, pick them up off the shelf, use them with confidence that they're the best fit for their classroom, for their school community.

We're not looking to go and mandate a whole lot of other things that will create more work for teachers and more bureaucracy for schools but we are wanting to make sure that we have commitment from the states and the non-government sectors to deliver on these things. In terms of specifically how that works for non-government schools, it depends a little bit on the nature of some of the reforms, but in the main what happens is that non-government schools, of course, are regulated by their state and territory governments in terms of meeting certain standards. And so when commitments are given to participation, in NAPLAN for example, yes, that might sit as a condition of funding but it's also something that's expected under those other regulatory frameworks. So there are different ways in which we can look to structure that, but we're not looking at a whole lot of new NAPLANs – that's already done – what we are looking at is how we really provide the most powerful evidence basis for schools and get strong commitments that will be used across all jurisdictions to build that evidence-based, use it effectively in those schools so that the record level of funding that's flowing is actually put to the best possible use to help kids perform.

Shelley Hill: Fantastic. And we certainly will have, hopefully, a lot of input into that in terms of the significant parent engagement agenda that we have been promoting for many years.

I know we're running out of time, so I'll just ask the very last question. We understand that the student with disability loading will be based on the NCCD data. In a recent statement you recognised that this is broadly

relied on nationally; can you assure us that the loading will be fairly calculated and, for parents, spent on children with disability and not just [indistinct] to the general revenue for each school?

Simon Birmingham: Well our intent behind using the NCCD data is to really make sure that is the case because the NCCD data will allow us to guarantee that funding support for students with a disability flows most directly to the students have highest need for the greatest level of assistance and adjustment support in their classroom. We're proposing to stage the introduction of this over the 10 year transition period so that over that timeframe we can get better and more robust and more reliable data around the students with disabilities reporting.

For those parents who may not understand, this process sees schools themselves – so the teachers in the schools – report through students with a disability across four levels of adjustment assistance. One of those is students who can be helped in the classroom without any particular additional assistance, just with some changes to teaching practice and don't necessarily require any extra funding. The other three are a low, moderate, and high level of adjustment support. And what we're changing here is a current model where we use a different definition for a student with a disability in each state and then we just provide a flat level of funding for any student who meets that definition, transitioning to using this data where those different categories attract different levels of funding, higher support for the highest needs students and, of course, using a consistent methodology across all schools and all states to identify those students of need. And I think this has the potential to be a really fabulous reform, of course we have to work really closely with states, non-government sectors, individual schools to make sure that the data collection is consistent and robust; but that work's been underway for a number of years now and by taking the gradual step to its implementation it will really ensure everybody focuses on getting it right.

Shelley Hill: Fantastic. Well thank you very much, Minister, for your time tonight. It's been really useful and informative and we really appreciate the time that you've given to us.