



Australian Government



Better Schools

A National Plan for School Improvement

A National Plan for School Improvement

Investing in education
to boost productivity



“Unless we can do more to reduce the equity gap in student achievement, Australia’s productive capacity can only continue to slide relative to the rest of the world.”

Jennifer Westacott,
Chief Executive,
Business Council of Australia



Education reform – the case for change

Investing in education is the most important thing we can do for the future of our country. A great education is the key to unlocking individual potential. It helps our economy grow and helps our country remain prosperous and secure.

If we want to stay an economic powerhouse in the Asian Century, we must make education our priority, and focus on strategies we know can lift results.

The Australian Government has already done a lot to improve schools and currently invests around \$13.6 billion a year in education. This has helped deliver more money for literacy and numeracy programs, extra support for teachers, more resources for disadvantaged schools, and provided every school with new facilities such as classrooms and science labs.


To build on the Government's record investments and to ensure our schools are preparing students for the new opportunities and challenges ahead, the Government commissioned the first review of school funding in 40 years.

The findings of this review of school funding, led by David Gonski, were clear: 'Australia lacks a logical, consistent and publicly transparent approach to school funding.'

Similar schools with similar students are getting different amounts of money and many schools aren't getting enough to educate their students to the highest standards. This has resulted in Australia's performance in international testing falling from 2nd to 7th in reading and 5th to 13th in maths. There is also an unacceptable link between low levels of achievement and educational disadvantage, particularly among students from low socioeconomic and Indigenous backgrounds.

“To have a high skill economy Australia must have a high performing school system and Ai Group welcomes the aspiration for Australia to have world-class education system embodied in the Federal Government's response to the Gonski Review.”

Innes Willox,
Chief Executive, Ai Group



The Gonski review found that we need to deliver a better and fairer way of funding our schools to help reverse the decline in Australia's international results to make sure our schools can deliver a world-quality education.

We need to invest more money in our schools. And we need to make sure that money is being invested wisely in the areas that we know will improve results – like training great teachers, more local decision-making, giving parents and the community more information about our schools, and providing extra support to the kids who need it.

“To ensure future productivity growth and to cement Australia’s place in the world economy as having a highly skilled workforce, we need to ensure our future workforce has well developed literacy and numeracy skills.”

Peter Anderson,
Chief Executive, Australian Chamber
of Commerce and Industry

The recently released PricewaterhouseCoopers report, *Australia’s education system and the perils of persisting with the status quo*, says that while Australia’s education system is good – it is not great and that accepting a less than great education system imposes opportunity costs on Australia, including:

- Economic gains – education attainment is linked to higher levels of employment and labour force participation, higher wages and higher levels of productivity.
- Non-monetary benefits – there is growing evidence that education has a positive effect on social outcomes. Research by the OECD found that adults aged 25 to 64 with higher levels of educational attainment exhibit greater satisfaction with life, were more engaged in society, more likely to report that they are in good health and lower crime levels.

Costs for Australia in accepting the educational status quo

Australia can't afford to simply accept the status quo and not aim to improve productivity. Since 2005 Australia's productivity has been in decline and now sits below the OECD average when hours worked as a percentage of GDP are compared (Figure 1).

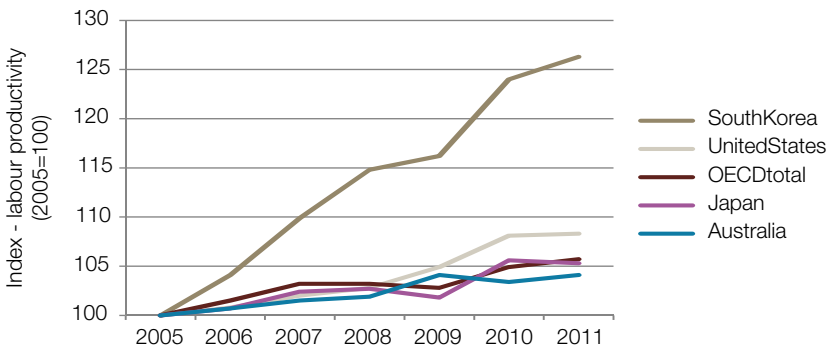
Independent modelling undertaken by Econtech, part of KPMG Australia, shows that lifting the skills and qualification levels of Australians could help support more than 500,000 extra jobs a year and boost

the economy by around \$4,000 per person each year, on average, between 2010 and 2040.

Econtech also estimated that if we lift the number of kids completing Year 12, we could increase employment by 0.4% a year to 2040. That represents an additional average annual gain to the economy of around \$11.3 billion.

It is vital for Australia that if we do not want to sacrifice our standard of living, our productivity performance needs to improve.

Figure 1



Why we must act now

Using results from the international science, maths and literacy tests developed by the Programme for International Student Assessment (PISA) 2009, PricewaterhouseCoopers estimated that ‘the value to Australia of reforming its education system would be an aggregate gain of \$3.6 trillion over the lifetime of the generation born in 2012. This is equal to 271 per cent of Australia’s GDP in 2011-12, and represents an average increase to annual growth of 0.29 per cent over 2012 to 2092.

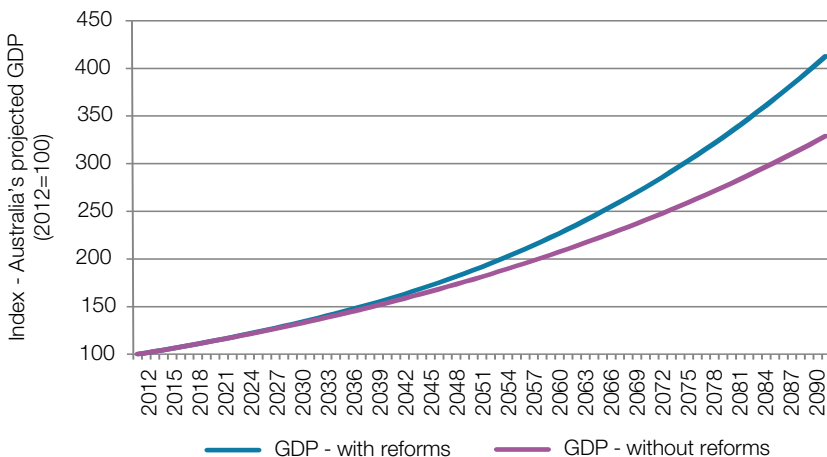
In addition, PricewaterhouseCoopers found that by persisting with the status quo and a continual decline in

performance of Australian students over the next decade, ‘would cost an aggregate of \$1.5 trillion over 2012 to 2092 – compared to a scenario where Australia maintains its PISA 2009 average score. This aggregate cost is the equivalent of 115 per cent of Australia’s GDP in 2011-12.’

Figure two shows the difference in Australia’s projected GDP with and without education reforms.

This is why we must act now and why we need as a nation to agree to the National Plan for School Improvement. We owe it to Australia’s children – and to the future of the country - to give them the best schools we possibly can.

Figure 2





National Plan for School Improvement

We now have a once in a lifetime opportunity to lay the foundations for the future prosperity of Australia. This is why The Prime Minister announced a National Plan for School Improvement.

The plan challenges Australia to:

- Lift the performance of students so that by 2025 Australia will be ranked as a top five country in the world in reading, science and maths.
- Provide all Australian children with a high quality, high equity education system.
- Deliver a new way of funding schools that is based on the needs of individual students

The plan includes a new funding system called the Schooling Resource Standard, which provides a benchmark amount of funding for every student and extra funding to

support disadvantaged students and schools. Funding under the plan is attached to school improvement reforms we know improve school and student results, including:

- Quality teaching
- Quality learning
- Empowered school leadership
- Transparency and accountability
- Meeting the needs of individual students

The Australian Government is now talking with State and Territory Governments, Catholic schools and Independent schools to reach agreement on the plan.

Once we have agreed this with States, Territories and education systems, our National Plan for School Improvement will be phased in over six years from 2014 so that schools have time to adjust.

More information

For more information about our plan, and to have your say, visit www.betterschools.gov.au