

Perspectives on Education Challenge

Politicians, both Labor and Liberal Coalition, have failed our children in responding to the Gonski Review. The Review Panel proposed a sound approach to funding education and worked hard to win the support of all education sectors. But confused and limp implementation by Federal Governments stands in stark contrast to the strong challenge facing education. Standard tests on 15 year olds by Programme for International Student Assessment (PISA) may not be the be all and end all of education but the performance levels and trends establish serious challenges that cannot be ignored.

Summary analyses of data from 2000, 2003, through 2012 tests can be reviewed in the pdf file “Australia’s Education Challenge” at www.pjpl.com.au/our-expertise/publications. They illustrate the following concerns:

- In 2012, one in seven children are in the bottom tail for literacy and science; and one in five are in the bottom tail for maths. These children do not reach the level required for “proficiency to participate in society”. This has deteriorated from one in eight in 2000, which was similar to developed countries today.
- This issue is clearly worse for the quartile of children coming from poorer socio-economic background – the so called “equity problem”. In the bottom socio-economic quartile one in four children (or 24%) for literacy and science, and 33% of children for mathematics, fail to reach the required level. This problem is not exclusive to the bottom quartile; it is also evident in the middle two quartiles where a similar number of children also fail to reach the required level. This suggests it’s not just a problem for a small poor minority, but something broader is happening.
- The poor performance of the bottom tail is substantially worse in Government Schools than in Catholic or Independent Schools. For example in mathematics, 25% of children in Government schools fail to reach the required level, compared to 14% in Catholic Schools and 9% in Independent Schools.
- The equity problem is an issue evident in all states but particularly serious in Tasmania and Northern Territory.

The above illustrates the so called **equity issue** that has received most of the commentary and attention. While this is deplorable, it is not the only issue. The long term trends also illustrate that performance is slipping across the board over time and relative to important reference points in other countries.

This **slippage issue** represents a challenge for all, Government Schools, Catholic and Independent alike. Since this problem is evident throughout all education sectors and is clearly systemic, it is at least as, if not more, important. And it is not likely to respond to a small, targeted “quick fix”.

- Over the decade from 2003 to 2012, the proportion of children performing at the top levels (4, 5 and above) has dropped from 42% to 35% for reading literacy and from 43% to 34% in mathematics while the bottom performance levels have grown in proportion. The whole distribution has deteriorated across the board.

- This deterioration is visible in all school systems. Between 2003 and 2012 the top performance bands have shrunk significantly, in all school systems. For example in maths for level 4 and above:
 - o Government schools dropped by 7% (from 35% to 28%)
 - o Catholic Schools dropped by 12% (from 48% to 36%)
 - o Independent Schools dropped by 12% (from 61% to 49%)
- Importantly, there has been a larger deterioration in Independent and Catholic Schools than in Government schools in the highest performance levels, albeit from a higher base .

A comparison with other countries shows that aspiring to competitive outcomes represents a major challenge for Australia:

- For example, in Mathematics, Singaporean children perform substantially better than Australians so their distribution is well to the right of the Australian distribution. The area under the curve where Singapore exceeds Australia in Maths is 27%, implying a massive 27% superior educational output. Similar comparisons exist with other Asian jurisdictions like Taiwan and Korea.
- Many prefer comparisons with Canada and Finland based on greater cultural similarity. They discount a comparison with Singapore due to “Tiger Mother” cultural differences. It surely can’t be due to genetics. In comparison with Canada, the area between the curves shows 4% superiority by Canadian children. Unfortunately Asia is where we compete, so we can hardly take comfort from comparisons with old friends like Canada, UK and USA.

What to do?

The education of our children is a major strategic issue facing Australia that we must deal with. We cannot let budgetary inertia and politics consign our kids to the status quo of mediocrity and decline. And we can’t leave it to “them” (in this case the Governments, education sectors and schools). Parents need to take primary responsibility to make sure our children are building the core skills they need to succeed in adult life.

The answer lies both in funding and educational practice. The Gonski review was asked to improve funding structures, implicitly taking the current educational practices as a given and explicitly constrained to limit losses on any system/school.

The Gonski review suggested a new approach to funding that was mindful of both the equity and slippage issues above. It aimed to ensure all children would receive a sound education independent of the ownership of the school and to reflect the needs of the particular student body. The panel recommended a needs based funding model and structural changes to underpin implementation. The bottom up application of these ideas implied some extra resources, 75% of which went to Government Schools where the challenges are greater but important extra resources resulted for Catholic and Independent systems who also need to deal with challenges. The education sectors came on board, not surprisingly since none were losers.

The funding proposals implied an increase in resources approaching 15%, or about \$5+ billion p.a., in addition to the total spend of about \$40 billion p.a. (2009 \$) on education in Australia (narrow definition not including spend by parents outside school, their time etc). Governments have not embraced this level of extra funding, even though \$5+ billion p.a. is only about 1% of total Federal and State Government spending of \$500+ billion p.a.

It is hard to imagine such a serious challenge to our core skills can be met without extra resources.

It could be done more cheaply if the constraints were relaxed. Clearly, if some schools received less funding, which was shifted to others, then the extra resource demanded from Governments would be reduced. But this is a more challenging political ask. And while you could justify this approach to deal with the equity issue alone, it is not appropriate in light of the across the board slippage issue. Hence the belief that all schools need extra resources for improvement.

Another approach would be to improve educational productivity so that fewer extra resources are needed. A review of educational research suggests that all are in agreement that improving teaching is the main lever.

Fewer, better teachers may be an answer. Schools have been reducing class sizes for 40 years, which can't be the answer, since performance has not improved. Maybe better teachers with bigger classes might be superior at lower cost. This would need to be negotiated with teachers' unions, coupled with higher compensation for the best/most experienced teachers to encourage a higher quality intake and longer longevity as a career teacher. The NSW Government is moving in this direction. Others argue that allowing the Principal to hire and fire would improve teacher quality at the coal face. Probably these and other changes need to be pursued.

Three implications are clear:

- The education challenge is too important to be put in the "too hard" basket
- Some combination of material extra resources . . .
- . . . and improved educational practices must be realised

Surely our leaders can work out how to build on and improve on what's been crafted by the Gonski panel and do what's necessary to have a significant impact for our children.

Terrey Arcus founded the corporate advisory firm Port Jackson Partners Limited and provided analytic support to the Gonski review.

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