

# Submission to the Education and Employment Legislative Committee on the Better and Fairer Schools (Funding and Reform) Bill 2024

October 2024

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## Executive Summary

The Smith Family is working at **scale** to support Australian children to overcome **educational inequality caused by poverty**.

Numerous public reviews over decades and The Smith Family's deep and long-term experience working with thousands of children, young people, families and schools across Australia, highlight the **need for significant national school reform**.

The **gap in educational outcomes** achieved by young people from low socioeconomic backgrounds compared to their more advantaged backgrounds is a **tragedy**, both for **individual young Australians** and **our nation's economic, social, environmental and cultural prosperity**. This is also the case for other equity groups such as First Nations young people, those living in regional and rural communities and young people with a disability.

The Smith Family believes that the time for **concerted national and state/territory collaboration** to address this issue is long overdue, and the Better and Fairer Schools (Funding and Reform) Bill 2024 as the enabling legislation required for the Better and Fairer Schools (BAFS) Agreement 2025-34, will make a **key contribution** to improving the lives of young Australians.

The Smith Family supports the Agreement's focus on **improvements for all students** and in particular for **equity cohort students**, in areas such as **school attendance, NAPLAN and Year 12** or equivalent completion, as we know these outcomes provide young people with **choices and opportunities** to shape their future.

We also support the Agreement's emphasis on student **wellbeing** and its explicit references to the use of **evidence-based approaches** so that these improvements can be achieved.

The Smith Family has been a very long-term advocate for **needs based funding** for schools. We know the challenges faced by many of the schools we work with across Australia that are serving high proportions of students from the equity cohorts. Despite their best efforts, educational inequity in Australia continues to grow. The BAFS Bill and Agreement will see **more funding going to schools that need it most**.

The Better and Fairer Schools (Funding and Reform) Bill also requires an **Annual Statement** to be made by the Commonwealth Minister for Education to Parliament, regarding progress on the BAFS Agreement. We very much welcome this **public accountability** on school education, and the role the Parliament can play in this, given the power education has to positively change the lives of young Australians, especially those experiencing disadvantage.

## The Smith Family

The Smith Family welcomes the opportunity to make this short submission to the Senate's Education and Employment Legislation Committee on the **Better and Fairer Schools (Funding and Reform) Bill 2024**.

The Smith Family is a national charity which has supported Australian children and families experiencing disadvantage for more than a century. Our **vision** is a world where **every child** has the opportunity to change their future. Our **belief** is that education is one of the world's most powerful change agents and our **purpose** is to **overcome educational inequality** caused by poverty.

We are working at **scale** to support Australian children to overcome educational inequality caused by poverty. In FY23, our education-focused programs supported more than **220,600** children, young people, parents, carers and community professionals, including over 178,000 children and young people. We are working in over **90 communities** across all states and territories and have partnerships with around **800 schools** supporting high proportions of children and young people from low socioeconomic backgrounds.

### The context for this Bill

Numerous public reviews over decades and The Smith Family's deep and long-term research and experience working with thousands of children, young people, families and schools across Australia, highlight the **need for significant national school reform**.

#### *Educational outcomes*

Most recently, the *2023 Report of the Independent Expert Panel's Review to Inform a Better and Fairer Education System* highlighted:

“**Academic** outcomes for students from **priority equity cohorts** are consistently **below** those of the broader student population, with gaps that have not significantly narrowed, pointing to ongoing **systemic barriers** to achievement. At the same time, the knowledge and **skills** that young people will need to master in order to **thrive in adult life** and succeed in the Australian economy continue to **evolve**.” (p. 9)

The most recent educational data confirms this long-standing pattern:

- In 2024 **NAPLAN**, 4.6 percent of Year 3 students from high SES needed additional support in reading, compared to 32.4 percent of those from low SES. For Year 9 reading, the figures were 3.9 percent and 29.8 percent respectively.<sup>1</sup> Results were similar for mathematics.
- In 2022, **Year 12** attainment rates for low SES schools was 69.7 percent and 82.9 percent for high SES schools. In 2023, the Apparent Year 10 to Year 12 Retention Rate for Government schools was 75 percent and 87.4 percent for non-government schools.

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<sup>1</sup> The Year 9 participation rate for low SES students was only 77.2 percent compared to 95 percent for high SES students, so the gap is potentially wider.

These patterns are repeated for other equity groups, including First Nations students, those living in non-metropolitan areas and students with a disability.<sup>2</sup> Of particular concern to The Smith Family is that, on average, educational gaps between for example, high and low SES students, **increase** as students move through school, regardless of their starting point on achievement. In 2024 for example, Year 9 low SES students were on average approximately. **4.5 years** behind high SES students on reading.

Therefore, despite the best efforts of students and families from equity cohorts and the schools they attend, **educational inequity** in Australia, across key educational outcomes **continues to grow**. These outcomes are critical, as they provide young people with **choices and opportunities to shape their future**.

### *The role of Government schools in addressing educational inequity*

All sectors have a role to play in addressing educational equity in Australia. However, Government schools have a particularly important role. In 2022, **low SES** students comprised **31.4 percent of Government** school enrolments compared to 13.2 percent in non-Government schools. In 2023, **Aboriginal and Torres Strait Islander** students accounted for 8.3 percent of enrolments in Government schools compared to 3.3 percent in non-Government schools.<sup>3</sup>

In addition, schools with **high concentrations** of students who are socio-educationally disadvantaged are mostly in the **government** school sector. Around 14 per cent of all students attend a school with high proportions of socio-educationally disadvantaged students, with nearly all of these students attending government schools. This concentration of disadvantaged students in certain schools is **increasing**, meaning that social segregation in these schools is becoming more severe.<sup>4</sup> This concentration matters, as students from equity cohorts demonstrate, on average, **less learning growth** if they attend a school with a high concentration of disadvantage.<sup>5</sup>

This Bill is therefore important in considering how to improve the educational outcomes of **all Australian school students**, and particularly critical for those in the **equity** cohorts, given the changes it proposes with regards Government schools.

## **Enabling legislation for the Better and Fairer Schools (BAFS) Agreement**

The Better and Fairer Schools (Funding and Reform) Bill 2024 is the enabling legislation required for the Better and Fairer Schools (BAFS) Agreement 2025-34. The Agreement, identifies three **critical national priorities** for our schooling system:

- **Equity and excellence** – all students are provided access to high-quality evidenced based teaching that is inclusive, where **young Australians of all backgrounds** and levels of need are supported to achieve their **full educational potential**.

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<sup>2</sup> We note the paucity of public available educational outcomes data for students with a disability.

<sup>3</sup> Productivity Commission Report on Government Services, 2024

<sup>4</sup> Improving Outcomes for All: The Report of the Independent Expert Panel's Review to Inform a Better and Fairer Education System, 2023

<sup>5</sup> Productivity Commission Review of the National School Reform Agreement, 2022

- **Wellbeing for learning and engagement** – students are provided with appropriate support, experiences, teaching and resources to positively and confidently engage in learning.
- A **strong and sustainable workforce** – all staff are supported to innovate, consistent with evidence-based teaching and be at their best to ensure young **Australians thrive in their education**. Teaching is valued and more Australians consider a career in education, and there is a high teacher retention rate.

The data referenced earlier highlights the criticality of a focus on both **equity** and **excellence**, and this in turn is supported and underpinned by a focus on wellbeing for learning and engagement and a strong, sustainable workforce.

The BAFS Agreement also strongly reinforces the role of **evidence-based approaches** in improving student outcomes. The establishment in 2021 by the Education Ministers Council of the **Australian Education Research Organisation (AERO)**, under the current National School Reform Agreement (set to conclude at the end of December 2024), has significantly strengthened Australia's **educational evidence infrastructure** to support improved student outcomes. We are confident that over time, AERO can play an even stronger role in supporting jurisdictions, systems, schools and educational staff to understand and implement evidence based approaches. This work is critical to ensure that **resources are used to best effect** and are directed to **improving student outcomes**, particularly for those from equity cohorts.

### *Improvement measures*

The BASF Agreement has a clear list of **improvement measures** that it is aiming to achieve, including school **attendance**, **NAPLAN** and **Year 12 or equivalent completion**. The Agreement also has a specific focus on improvements in these student outcomes for **equity cohorts**.

The Smith Family's longitudinal research with thousands of students experiencing disadvantage across Australia, confirms the **importance of these measures**, as there is a strong relationship between attendance, achievement and Year 12 completion, which in turn strongly influences young people's post-school pathways.

Year 12 or equivalent completion for example is associated with a range of **positive social and economic outcomes across the life course**. These include income and job security, a wider range of occupational choices, better physical and mental health, and the development of the skills and knowledge to be an active and informed community member.<sup>6</sup> Conversely, young people who leave school without completing Year 12 are at greater risk of long-term unemployment, welfare dependence, social exclusion and mental health challenges.<sup>7</sup>

Longitudinal data shows that young people experiencing disadvantage who **complete Year 12**, are much more likely to be **engaged in work and/or study post-school**, than similar young people who do not complete Year 12.<sup>8</sup>

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<sup>6</sup> Australian Institute of Health and Welfare, 2021 *Secondary education: School retention and completion*; Public Health Information Development Unit, 2021 *Early school leavers who left school at Year 10 or below or did not go to school*.

<sup>7</sup> E Robinson and V Meredith 2013, *Family factors in early school leaving*.

<sup>8</sup> The Smith Family, 2024 *Pathways, Engagement and Transitions: Experiences of early school leavers*.

The Smith Family therefore, supports the Agreement's focus on these measures for **all students** and in particular for **equity** cohort students, as we know these outcomes provide young people with **choices** and **opportunities** to shape their future.

### *Needs based funding*

The Smith Family has been a very long-term advocate for **needs based funding** for schools. We know the challenges faced by many of the schools we work with across Australia that are serving high proportions of students from the equity cohorts. Despite their best efforts, **educational inequity** in Australia **continues to grow**. This issue is particularly acute for Government schools, which as identified earlier, support high proportions of equity cohorts, such as those from low SES and Aboriginal and Torres Strait Islander students.

The BAFS Bill and Agreement will see **more funding going to schools that need it most**. This will enable more **targeted support** for students who need it most. The Smith Family's work with students experiencing disadvantage reinforces the importance of an **early intervention** approach and offering the '**right support**' when students need it. Our experience is that such support can make a significant difference to students' outcomes, and we believe that a stronger focus on early intervention will be a feature of implementing the new Agreement.

We note in particular, that under the Agreement and associated bi-lateral agreement, the Commonwealth Government will increase its funding share to Government schools in the **Northern Territory** to 60 percent of the Schooling Resource Standard<sup>9</sup> and will invest at least an additional \$737.7 million from 2025 to 2029, with the most disadvantaged schools receiving additional funding first. Educational data over many years, and The Smith Family's experience working in the Northern Territory to support children and families experiencing disadvantage, highlights both deep educational inequity, and the positive difference that can be achieved through respectful cross-sectoral partnerships and the allocation of resources in line with available evidence, nuanced for the NT context.

Our understanding is that the Better and Fairer Schools (Funding and Reform) Bill 2024 is required to enable those additional funds to flow to Northern Territory schools (and other jurisdictions that sign up to the Agreement) and we see this as **particularly urgent**, given the long standing educational gaps experienced there.

### *Increased public accountability through the Parliament*

There has been very significant government investment in Australian schools over decades, yet as flagged above, educational outcomes, particularly for students in the equity cohorts have not improved. The Smith Family sees increased **transparency** and **public accountability** regarding school funding as critical if the educational outcomes of all students, and in particular equity groups, are to improve.

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<sup>9</sup> The SRS is the estimate of how much total public funding a school needs to meet its students' educational needs.

We very much welcome the inclusion in the Better and Fairer Schools (Funding and Reform) Bill 2024 of the requirement of the Commonwealth Minister for Education to make an **Annual Statement** to Parliament, regarding progress on the BAFS Agreement. We see this as providing much needed **transparency** and scrutiny for public funding, both within the Parliament and across the community. We believe this can contribute to holding Commonwealth and State/Territory Governments more **accountable** and enhance **public confidence in and understanding** of school education in Australia. We see this as very important given the power education has to **positively change the lives of young Australians**, especially those experiencing disadvantage.