

BOARD OF TREASURERS' SUBMISSION TO THE REVIEW TO INFORM A BETTER AND FAIRER EDUCATION SYSTEM

1. The Board of Treasurers (the Board) welcomes the opportunity to provide input to the Review to Inform a Better and Fairer Education System (the Review). The Board recognises the significance of the Review, which will inform the development and negotiation of the next National School Reform Agreement (NSRA) and bilateral agreements.
2. This submission responds to the consultation paper provided by the Expert Panel on 5 July 2023, and the Terms of Reference agreed by Education Ministers on 27 February 2023.
3. The next NSRA should uphold the principles of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and the Federation Funding Agreement (FFA) principles as agreed through National Cabinet. Reflecting this, the submission builds on these principles and sets out a series of recommendations to support strong productivity and fiscal outcomes through the new five-year NSRA.
4. The next NSRA should progress reforms that enable national coordinated action and provide states and territories (states) with the flexibility to meet their local needs and circumstances. In line with the constitutional principle of subsidiarity, powers and decision making should be left to the lowest level of government practicable to enable states to customise policies and services to suit local preferences.

Targets and reforms

5. The Expert Panel should apply the following principles to the selection of reforms for the next NSRA:
 - Reforms must be feasible for states to implement, therefore they should focus on a smaller number of targeted reforms that have the most value at the national, rather than state or local level, as recommended by the Productivity Commission.
 - Reforms must consider a definition of value that focuses on potential student gain on a cohort basis to ensure smaller student cohorts, such as Indigenous students, are treated equitably in the prioritisation of reform options.
 - Reforms must recognise state sovereignty and provide states with budget autonomy and flexibility to respond to local needs and circumstances.
 - Reforms must be informed by robust evidence and research on how to improve educational outcomes.
 - Reforms must provide a clear rationale for adopting a national approach and, where appropriate, should leverage work that is already underway at a jurisdictional level to avoid duplication.

6. The Board would propose extreme caution in making any recurrent Commonwealth funding contingent on the achievement of student outcomes or other performance targets, in line with the principles of the IGA FFR. Funding certainty is critical to ensuring schools can plan, recruit accordingly and achieve long-term improvements in student outcomes. Linking policy reforms and outcomes to funding carries significant fiscal and policy risk as it can further entrench inequality, increase prescription and reduce state-based flexibility.
7. Targets must balance the need for accountability and desire to improve outcomes with the burden on schools and state governments to meet reporting requirements. In line with the principles of the IGA FFR, reporting on progress towards any new targets in the NSRA should minimise the reporting burden on states and schools.

Improving student outcomes

8. The Board recognises the importance of the next NSRA in driving better learning outcomes for students, particularly for students in equity cohorts, those who start school behind, and those who fall behind.
9. Government schools have a legislative responsibility for educating all students irrespective of background or circumstance. This leads to a segregated school system, in which disadvantaged communities are disproportionately represented in government schools. The next NSRA must acknowledge this imbalance and provide adequate equity-based funding for states to execute this responsibility.
10. The Board notes the national challenge of the persistent link between student disadvantage and lower educational performance and the strong influence of factors outside of schools. This would benefit from national collaboration as well as the use of Commonwealth policy levers that can mitigate factors outside of school.

Student mental health and wellbeing

11. The Board recognises that student mental health and wellbeing is a precondition for learning, and it lays the groundwork for an effective education. This foundation is essential in driving positive educational outcomes which increases workforce participation and productivity across Australia.
12. States must be given sufficient flexibility to design and deliver local solutions to support student mental health and wellbeing in an educational context and track outcomes via their own wellbeing frameworks. Given this, references to wellbeing in the next NSRA should be limited to a national commitment to action rather than adherence to specific targets.
13. Given states' primary service delivery and the contextual nature of student wellbeing, in-school wellbeing factors are best addressed at a local level. The Board welcomes the Expert Panel's recognition of the need for the next NSRA to leverage existing work undertaken by states to improve student mental health and wellbeing.

14. All states collect a range of student wellbeing data which is used to inform system and school level decision-making. While there are benefits to sharing knowledge on measuring and improving student wellbeing, the merits of a national wellbeing measure have not been demonstrated. Any approach will need to consider the complexity of measuring wellbeing, administrative burden, risks of league tables and student privacy concerns.

Our current and future teachers

15. The Board recognises the need for national collaboration in providing the opportunity to elevate the teaching profession, improve the access and availability of pathways to teaching and diversify teacher supply pipelines. A reliable supply of quality teachers is key to supporting participation and productivity.
16. There is a significant body of work in this area currently being progressed by all jurisdictions such as the National Teacher Workforce Action Plan, the Australian Teacher Workforce Data collection initiative and the recommendations in the recently released Teacher Education Expert Panel Report. The next NSRA should not seek to duplicate this existing work, rather it should consider how to leverage it effectively.
17. The Review should instead focus on national enablers to support teaching quality, including migration settings and teacher education policies. The Expert Panel should consider initiatives to activate Commonwealth levers to increase teacher workforce supply and retention across states. This includes migration and visa settings, financial incentives and tertiary education in line with action 22 of the National Teacher Workforce Action Plan.
18. Any proposed workforce measures should support national collaboration, whilst respecting jurisdictions (and the non-government sector's) authority to determine workforce conditions through enterprise agreements and providing jurisdictions with agency to deliver solutions tailored to their contexts.

Data collection

19. The Board recognises that there are opportunities to improve data collection and national collaboration and consistency to provide valuable insights into student outcomes, school performance and current and future education needs. There is a particular need to enhance data collection and standardisation to strengthen the evidence base for future evaluation and reform.
20. The Review should consider how states can work with the Commonwealth to better utilise existing data collections to determine what will be considered as 'success' under the next NSRA.
21. The Board understands that there is significant work on data currently being led by Education Ministers, including through the Australian Education Research Organisation (AERO) and the Unique Student Identifier (USI). Any new measures

should not seek to duplicate existing work but should leverage existing work where possible.

22. Recommendations to collect new data should only be made where the benefits of the data set outweigh the costs of acquiring the data, including impacts on data security, privacy, staff workload and the creation of simplistic league tables. Any approach will also need to consider that local and state-level data may be more actionable at the local level (e.g. student wellbeing data).
23. Broadening the list of priority equity cohorts in the next NSRA will have data collection and reporting implications, which could further add to the administrative burden faced by schools and state governments.

Funding transparency and accountability

24. Funding committed through the next NSRA should provide states with ongoing funding stability and certainty. This will support their ability to plan, engage staff and deliver services, in line with the principles of the Intergovernmental Agreement on Federal Financial Relations. This will ensure effective and efficient delivery of quality schooling.
25. All states are committed to ensuring public funding is used to support school and student performance and all jurisdictions already have strong accountability structures in place to improve transparency. The Board suggests that further consideration is undertaken with states to explore the feasibility of the Expert Panel's proposals to:
 - require Approved Authorities to publish information about the methodologies used to calculate and distribute funding to schools, allocations to schools by base and loadings; and
 - require schools to report to the public on how funding is used.
26. The Review must balance the principles of accountability and transparency with the administrative burden that would be placed on schools by the proposed transparency measures. Reporting should reduce administration and compliance overheads on schools and state governments and focus on simpler, standardised reporting, in line with the principles of the IGA FFR.
27. Any change to reporting arrangements should:
 - recognise the robust public accountability and transparency mechanisms states already have in place, including through their respective Parliaments;
 - retain states' current level of flexibility to distribute recurrent funding according to school and student need, recognising states' primary service delivery role;
 - minimise excessive administrative burden on schools and systems; and

- ensure reporting under the next NSRA does not duplicate existing reporting or data collection mechanisms.
28. The Board understands the non-government school sector doesn't have the same level of public accountability mechanisms as the government school sector. As the Commonwealth is a primary funder of non-government schools, the Review should consider introducing measures to increase public accountability of non-government sector schools.
29. Whilst the Review will not revisit how the Schooling Resource Standard (SRS) is calculated, there is an opportunity for the upcoming negotiation period to be considered as a 'reset' of Commonwealth and state contribution shares and transition pathways towards the SRS. There is strong rationale for the Commonwealth contribution towards government schools be increased to 25 per cent, noting:
- the Commonwealth has a greater fiscal capacity to contribute to additional costs to reach 100 per cent of the SRS than states;
 - the inequitable allocation of Commonwealth funding between government and non-government schools;
 - government schools catering to a larger student base than non-government schools, disproportionately increasing the burden on states relative to the Commonwealth;
 - government schools have a larger proportion of students from disadvantaged backgrounds, which attract higher loadings under the SRS methodology. The burden of meeting these costs fall disproportionately on states as the primary funders for government schools; and
 - states are responsible for infrastructure and regulatory costs essential to the delivery of quality schooling.