

THE BETTER AND FAIRER SCHOOLS (FUNDING
REFORM) BILL 2024

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Submission to the Inquiry into the Better and Fairer Schools (Funding and Reform) Bill 2024

Introduction

The Australian Council of State School Organisations (ACSSO) welcomes the opportunity to provide feedback on the **Better and Fairer Schools (Funding and Reform) Bill 2024**. As the peak national voice for the families and communities of 2.6 million government school students, ACSSO strongly supports efforts to reduce educational inequity through national collaboration and needs-based funding.

Currently government schools educate:

- Over 66% of Australian school students
- Around 85% of students from low socio-economic advantage
- Around 85% of students with low socio-educational advantage
- More than 70% of young people living with disability
- Greater than 80% of First Nations young people
- Approximately 70% of students from culturally and linguistically diverse backgrounds

This submission highlights the strengths of the proposed reforms and offers recommendations to enhance the Bill's effectiveness. It draws on insights from our August 2023 [Submission to the Review to Inform a Better and Fairer Education System](#). This Bill offers an opportunity to address growing disparities in educational outcomes, particularly for students from low socio-economic backgrounds, First Nations communities, students living with disability, and those in regional and remote areas. In alignment with broader research in the field, including work from organisations like *The Smith Family*, *Learning Creates*, *Australian Learning Lecture* - we highlight key areas where reform is essential to ensure that every child has access to high-quality education.

1. The Need for Urgent Action on Educational Inequity

Australia has developed one of the most socially stratified schooling systems in the OECD, with vast resource disparities. Government schools, which educate most disadvantaged students, bear the brunt of this inequity. If left unaddressed, this imbalance will threaten the future of our democracy.

ACSSO remains deeply concerned by the persistent gaps in educational outcomes across Australia. Research confirms that **students from low socio-economic backgrounds perform significantly below their more advantaged peers**, with disparities growing as students progress through school. For example, 2024 NAPLAN data shows that 32.4% of Year 3 students from low SES backgrounds required additional reading support compared to only 4.6% of high SES students. By Year 9, the gap widened further, with 29.8% of low SES students needing support compared to just 3.9% of their peers. (ACSSO Submission **Better and Fairer Education System 2023**)

The **long-term impact of these disparities** is evident in lower retention rates and Year 12 completion. In 2023, only 69.7% of students in low SES schools completed Year 12,

compared to 82.9% of students in high SES schools. (*ACSSO Submission Better and Fairer Education System 2023*).

These trends reflect systemic barriers to achievement and highlight the need for targeted funding to support those most in need.

2. ACSSO's Support for Key Provisions in the Bill

ACSSO supports several important aspects of the *Better and Fairer Schools (Funding and Reform) Bill 2024*:

- **Commonwealth funding floors:** The Bill establishes a minimum Commonwealth funding share across all States. These floors provide much-needed certainty and ensure that funding levels cannot decrease in the future. (*Better and Fairer Schools (Funding and Reform) Bill 2024*. ACSSO though, believes the 20% to be inadequate and would advocate for something greater than 25% to achieve funding greater 100% SRS.
- **Needs-based funding:** The redistribution of funding toward schools serving higher concentrations of disadvantaged students is critical. This principle aligns with research showing that **schools with higher proportions of equity cohort students—such as those from low socio-economic backgrounds and regional areas—require greater investment to deliver comparable outcomes.** (*ACSSO Submission Better and Fairer Education System 2023*).
- **Transparency through annual reporting:** The requirement for an annual statement to Parliament on the progress of the Better and Fairer Schools Agreement enhances public accountability. ACSSO believes that transparency in how funds are allocated and their impact on student outcomes is essential for building community trust (***Better and Fairer Schools (Funding and Reform) Bill 2024***)

Full and Timely Implementation of the Schooling Resource Standard (SRS)

- The Bill must ensure that **all government schools receive at a MINIMUM 100% of the SRS** as a matter of urgency. The chronic underfunding of government schools catering to disadvantaged students remains a significant barrier to equitable education outcomes. Provisions in the Bill should commit both the Commonwealth and States to achieving this target by a clear, enforceable deadline (*ACSSO Submission Better and Fairer Education System 2023*). The date of achieving 100% of SRS is disappointingly slow and halfway through agreements.
- If passed, the legislation will allow federal and state governments to lock in a **ten-year funding agreement**. If history is anything to go by then we could see the government to lock in a further decade of inequity.
- The SRS funding level is not gold plating, It is an estimate of the funding needed to achieve the minimum literacy and numeracy benchmarks and only includes direct teaching expenses – (e.g. it doesn't include upgrades or infrastructure

funding). The SRS funding level is significantly lower than the revealed costs from the competitive non-government school sector of a good education.

- The funding agreements must **exclude non-SRS items** that artificially inflate state contributions. Under past agreements, governments boosted their SRS share with non-recurrent expenses, short-changing public schools by an estimated \$13.1 billion from 2019 to 2024. These accounting practices have continued in recent agreements and risk extending underfunding to 2029—17 years after Gonski recommended full funding.
- Funding calculations must align with **ACARA’s methodology for Net Recurrent Income Per Student (NRIPS)**, which excludes items like transport, depreciation, and curriculum administration. To ensure fairness and transparency, the new agreements must adhere strictly to these standards.

3. Recommendations for Strengthening the Bill

Targeted Support for Equity Cohorts

The research we draw upon, including work from *The Smith Family*, highlights the importance of targeted interventions. Disparities in educational outcomes not only persist but worsen over time, particularly among students from low SES backgrounds. ACSSO recommends that the Bill go further by:

- **Expanding early intervention programs:** Providing literacy and numeracy support from the early years can help close gaps before they become entrenched.
- **Improving mental health resources:** Increasing access to trauma-informed care and school counselling services, especially in regional and disadvantaged areas, is crucial for supporting both well-being and academic achievement.
- **Strengthening community partnerships:** Encouraging collaboration with allied health professionals and community services on school campuses will better support students and their families (*ACSSO Submission Better and Fairer Education System 2023*)

Addressing Teacher Shortages in Disadvantaged Areas

Teacher shortages are a significant challenge, particularly in rural and remote schools. To address this, the Bill should include:

- **Incentives for teachers** to work in under-resourced areas, such as housing subsidies and relocation grants.
- **Pathways for teacher aides and support staff** to transition into teaching roles, providing local solutions to staffing shortages (*ACSSO Submission Better and Fairer Education System 2023*)

4. Accountability and Transparency in Funding

While ACSSO commends the inclusion of annual reporting requirements, **additional measures are needed to ensure all public funding reaches students effectively.** We recommend:

- **Government school-level financial reporting:** Transparency at the school level is essential to monitor how public funds are used and ensure they directly

benefit students. It is important that all government school level public school-level funding be reported with the public information about the school level SRS funding estimates

- **Non-government school funding:** All non-government schools are on or above 100% SRS. Accountability and transparency must improve. In systems like the Catholic sector, where funding is pooled centrally, measures are needed to ensure public funding reaches students effectively and public monies are used effectively .
- **Data-driven decision-making:** Collecting and using **meaningful** data on attendance, academic progress, and well-being will allow schools to assess the effectiveness of interventions and allocate resources more strategically (ACSSO Submission **Better and Fairer Education System**)

5. Recommendations for the Bill

1. **Ensure Full SRS Funding:** Set a binding commitment for all government schools to receive at a **minimum**, 100% of the SRS by 2025. The funding agreements must **exclude non-SRS items** that artificially inflate state contributions
2. **Address Disadvantaged Communities:** Expand provisions targeting rural and disadvantaged students, including infrastructure, mental health resources, and early intervention services. Provide culturally responsive support for First Nations and CALD communities.
3. **Enhance Reporting Requirements:** Introduce mandatory school-level reporting to ensure transparent use of funds across sectors.
4. **Community Hubs and Family Engagement** Community Hubs in schools foster partnerships with local organisations and create opportunities for allied health professionals to support students on-site. They also strengthen family engagement, which research consistently shows is critical for improving student outcomes. By connecting families with schools, these hubs build trust, enhance communication, and promote a more inclusive and supportive learning environment where every child can thrive.
5. **Incentivise Teacher Retention:** Implement specific incentives to attract teachers to areas with staffing challenges and develop internal career pathways within these schools.

6. Conclusion

The *Better and Fairer Schools (Funding and Reform) Bill 2024* presents a critical opportunity to advance educational equity across Australia. ACSSO believes that with strengthened accountability measures, targeted support for disadvantaged students, and a focus on teacher retention, this Bill can make a meaningful difference in the lives of young Australians.

Incorporating insights from organisations like those mentioned above and others, whose research underscores the urgent need for reform, further validates our shared understanding that **addressing educational inequity is not just a moral imperative but an economic and social necessity**. The costs to our society in the continued and severe under funding of government schools are huge.

We look forward to working with the Federal Government and other stakeholders and continue to advocate to ensure that funding to our government schools provides equitable opportunity and accessibility and deliver to all students the ability to be the best version of themselves that they can be.

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