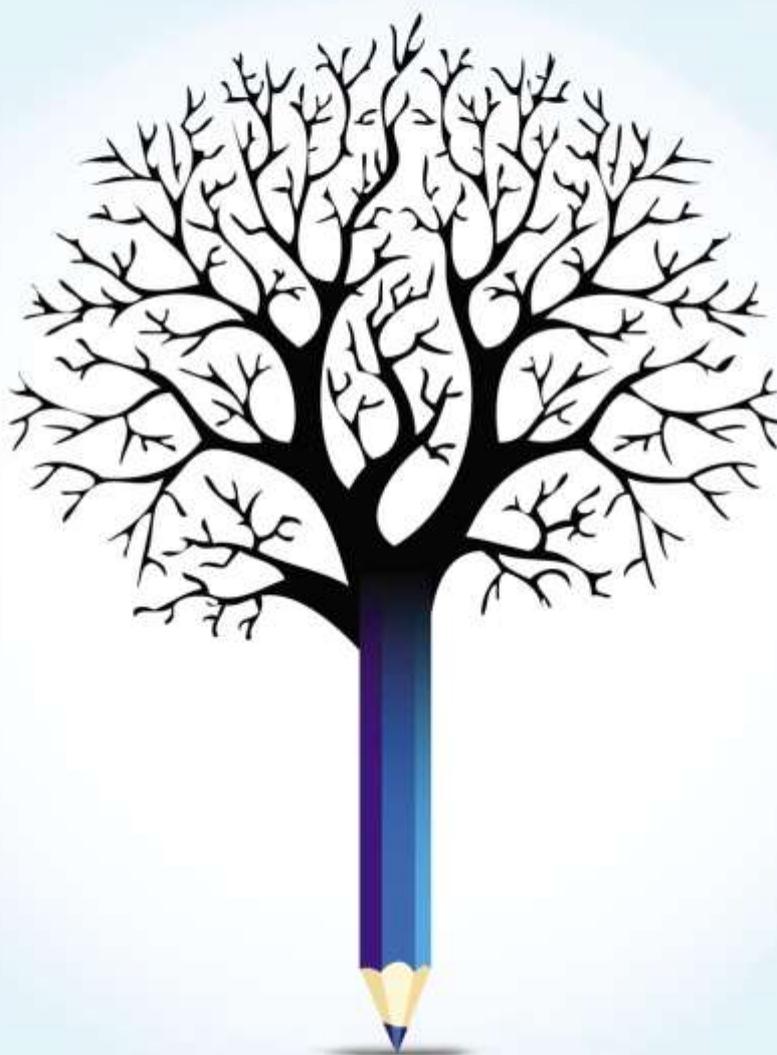




EDUCATION POLICY OUTLOOK: AUSTRALIA



EDUCATION POLICY OUTLOOK

This **policy profile on education** in Australia is part of the new *Education Policy Outlook* series, which will present comparative analysis of education policies and reforms across OECD countries. Building on the substantial comparative and sectorial policy knowledge base available within the OECD, the series will result in a biannual publication (first volume in 2014). It will develop a comparative outlook on education policy by providing: a) analysis of individual countries' educational context, challenges and policies (education policy profiles) and of international trends and b) comparative insight on policies and reforms on selected topics.

Designed **for policy makers, analysts and practitioners** who seek information and analysis of education policy taking into account the importance of national context, the country policy profiles will offer constructive analysis of education policy in a comparative format. Each profile will review the current context and situation of the country's education system and examine its challenges and policy responses, according to six policy levers that support improvement:

- Students: How to raise outcomes for all in terms of 1) equity and quality and 2) preparing students for the future
- Institutions: How to raise quality through 3) school improvement and 4) evaluation and assessment
- System: How the system is organised to deliver education policy in terms of 5) governance and 6) funding.

Some country policy profiles will contain spotlight boxes on selected policy issues. They are meant to draw attention to specific policies that are promising or showing positive results and may be relevant for other countries.

Special thanks to the Australian Government for their active input during consultations and their constructive feedback on this report.

Authors: This country policy profile was prepared by Beatriz Pont, Diana Toledo Figueroa, Juliana Zapata and Sylvain Fraccola (statistics and design), from the Education Policy Outlook team, which is part of the Policy Advice and Implementation Division, led by Richard Yelland. Editorial support was provided by Lynda Hawe and Susan Copeland. This profile builds on the knowledge and expertise of many project teams across the OECD's Directorate for Education and Skills, to whom we are grateful.

Sources: This country profile draws on OECD indicators from the Programme for International Student Assessment (PISA), the Teaching and Learning International Survey (TALIS) and the annual publication *Education at a Glance*, and refers to country and thematic studies such as OECD work on early childhood education and care, teachers, school leadership, evaluation and assessment for improving school outcomes, equity and quality in education, governing complex education systems, vocational education and training, and tertiary education.

Most of the figures quoted in the different sections refer to Annex B, which presents a table of the main indicators for the different sources used throughout the country profile. Hyperlinks to the reference publications are included throughout the text for ease of reading, and also in the References and further reading section, which lists both OECD and non-OECD sources.

More information is available from the OECD Directorate for Education and Skills (www.oecd.org/edu) and its web pages on Education Policy Outlook (www.oecd.org/edu/policyoutlook.htm).



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HIGHLIGHTS

Australia's educational context

Students: One of the highest PISA performers among OECD countries, Australia has fair and inclusive practices that strive for equity, quality and high completion rates for upper secondary and tertiary education. Australia has fewer underperforming students than the OECD average, a high proportion of children enrolled in early childhood education, and comprehensive school until age 16. However, overall PISA reading performance has not improved since 2000, and rural and indigenous populations have lower academic performance and less access to tertiary education than the national average. Effective secondary and tertiary pathways in Australia aim to have students well prepared for social and labour market integration.

Institutions: Australia's schools have positive learning environments, strong pedagogical leadership and well-prepared teachers, all supported with an effective evaluation and assessment framework. Students' instruction times and teachers' teaching time are among the highest across OECD countries. The evaluation and assessment framework is well conceived and can help generate improvements in the classroom with clearer information for schools on areas to improve.

Governance and funding: Australia works in a decentralised environment, and the education system is steered nationally through agreements with states and territories, focused on education priorities and funding. School funding lacks transparency and coherence, and outcomes of numerous studies have shown that it is difficult to determine how individual schools are funded.

Key policy issues

Australia's high education performance can be complemented with further focus on reducing inequities by tackling system-level policies which hinder equity in education, including school choice, support or funding. Continued support for professional development of teachers and school leaders can be combined with clearer evaluation and assessment information on how schools can improve. Strengthening the incentives for attaining skills demanded by the labour market is also important. A particular issue within a decentralised environment is the need for clarity in policy and in funding.

Recent policy responses

To strengthen performance and support disadvantaged and indigenous populations, Australia has made key investments in early childhood education and care, with a National Early Childhood Development Strategy (2009), has developed a number of strategies for Aboriginals and Torres Islanders, and has focused on skills development, defining completion objectives for vocational education and training and ways to strengthen apprenticeships.

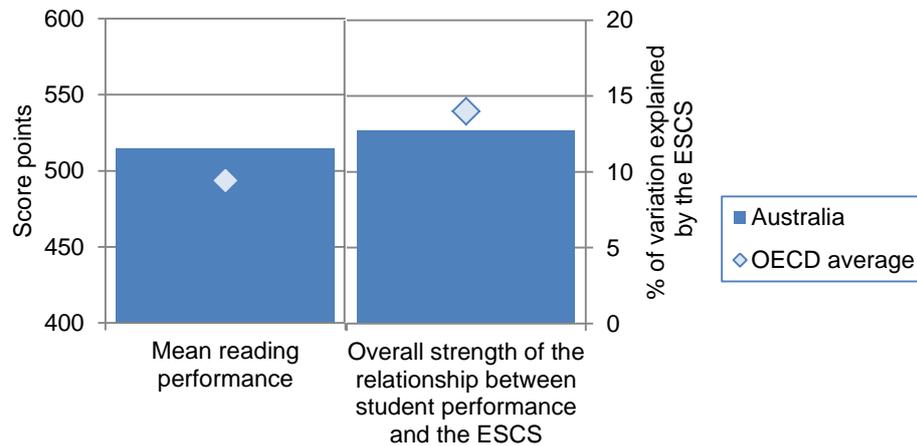
Various efforts are being made to raise the quality of teachers and school leadership by creating a specialised institution (the Australian Institute for Teaching and School Leadership), setting standards, and developing an accountability system which includes a new website with key information on performance ([MySchool](#)) (2010).

Given the lack of clarity in funding, the Australian Government commissioned a [Review of Funding for Schooling](#) (Final Report, December, 2011), which examined current challenges and proposed recommendations for a new funding approach. In response, the Australian Government has introduced into Parliament the Australian Education Bill 2012 which aims to shift towards needs-based education funding.



Australia achieves higher-than-average scores in PISA, and the impact of socio-economic status on attainment is lower than the OECD average, although its PISA results have not improved since 2000 (Figure 1).

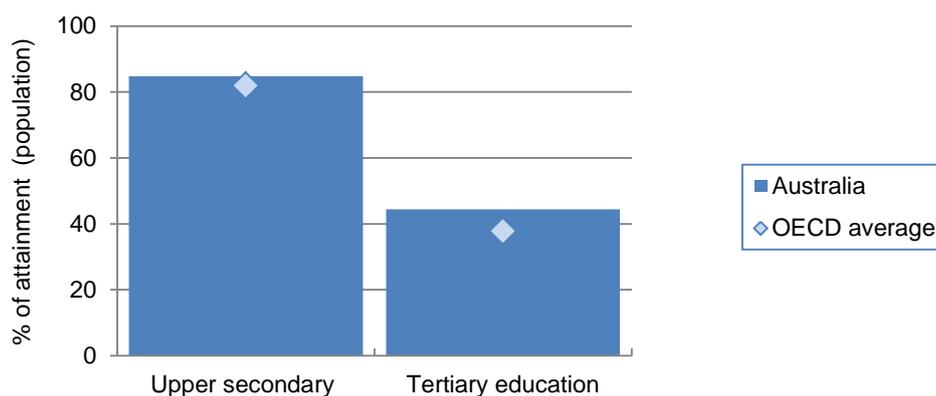
Figure 1. Student performance in reading and relationship between student performance and the economic, social and cultural status (ESCS), for 15-year-olds, PISA 2009



Source: OECD (2010), *PISA 2009 Results: What Students Know and Can Do: Student Performance in Reading, Mathematics and Science (Volume I)*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264091450-en>

Secondary and tertiary education attainment in Australia is higher than the OECD average: 85% of 25-34 year-olds have attained secondary education (compared to the OECD average of 82%) and 44% have attained tertiary education (compared to the OECD average of 38%) (Figure 2).

Figure 2. Upper secondary and tertiary attainment for 25-34 year-olds, 2010



Source: OECD (2012), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en>.



EQUITY AND QUALITY: POLICIES TARGET DIVERSE SUBGROUPS OF STUDENT POPULATION

Australia has **positive indicators in equity**. Among countries that are high performers in PISA 2009, Australia has a smaller-than-average proportion of students below proficiency Level 2, although these results have not improved since 2000, either in relation to other countries or to Australia's own performance in previous assessments. The impact of socio-economic background on performance at age 15 is similar to the OECD average (see Figure 3). Boys scored 37 points less than girls in reading (compared to the OECD average of 39 points), but significantly outperformed girls in mathematics.

Fair and inclusive policies contribute to an equitable education system. Australia has comprehensive school until age 16. About 81% of children are enrolled in early childhood education in the year before school (Australian Bureau of Statistics, 2012), and government subsidies are available (as fee reimbursements). Australia is one of several high-performing OECD countries, including the Nordic countries and Canada, that does not have student tracking until the age of 16. It also limits its use of vertical and horizontal differentiation within schools. In addition, Australia's grade repetition rate is 8.4%, below the OECD average of 13%.

Australia has a high degree of **school choice** which, if not well targeted, can contribute to segregation of students. Around 96% of students attend a school that competes for enrolments with at least one other school. Evidence shows that school choice, along with other factors, may undermine equity in the education system by segregating students into schools based on their socio-economic background. It is important to ensure that there are mechanisms to mitigate this negative effect.

Rural and Indigenous students, including Aboriginal and Torres Strait Islanders, have lower performance and completion rates across Australia. Students in rural schools perform 56 score points lower than students in Australian cities or large city schools. The Indigenous population, which represents up to 2.5% of the population, has a strong start in education: 95% of 4-14 year-olds participate in education, although they face low attainment rates, with 20% of Indigenous people 15 and over completing Year 12 or equivalent. Raising their performance and attainment can contribute to raising overall equity and quality of education.

The challenge: Continuing to reduce inequities between students from different socio-economic and ethnic backgrounds by tackling system-level policies which hinder equity in education.

Recent policies and practices

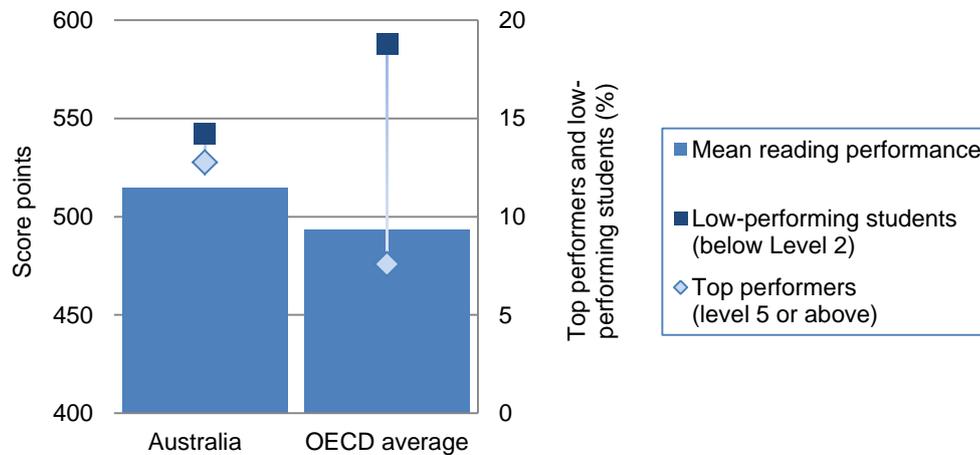
Investing in the Early Years – A National Early Childhood Development Strategy (2009) was developed to give all children “the best start in life” (see Spotlight 1).

The *Smarter Schools National Partnership for Low Socio-economic Status School Communities* (2008-09 to 2014-15) is a comprehensive strategy that focuses on the learning and well-being of disadvantaged students to support their transitions to further education, work and community participation. This programme will distribute about AUD 1.5 billion to over 1 700 schools in socio-economically disadvantaged communities, with additional funding provided by the states and territories.

The *Aboriginal and Torres Strait Islander Education Action Plan* (2010-14) aims to close the gap between Aboriginals and Torres Strait Islanders and their peers. It identifies outcomes, targets and performance indicators and national, systemic and local actions in six priority domains that evidence shows will contribute to improved educational outcomes.



Figure 3. Mean score in reading performance and percentage of low and top performers, for 15-year-olds, PISA 2009



Source: OECD (2010), *PISA 2009 Results: What Students Know and Can Do: Student Performance in Reading, Mathematics and Science (Volume I)*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264091450-en>.

Spotlight 1. Working for equity through early education

To support greater equity by giving students an early start in education, Australia has defined and implemented the [National Early Childhood Development Strategy](#) (2009) to aid all levels of government to build a more effective and better coordinated national early childhood development system, support the diverse needs of Australian children and their families, and improve their health, safety, early learning and well-being. The initiative covers children from before birth to 8 years, particularly those who are socio-economically disadvantaged.

The strategy sets out six priority areas to be developed as resources allow, recognising the different starting points of states and territories:

- strengthen universal maternal, child and family health services
- provide support for vulnerable children
- engage parents and the community in understanding the importance of early childhood development
- improve early childhood infrastructure
- strengthen the workforce across early childhood development and family support services
- build better information and a solid evidence base.

The strategy includes the following initiatives:

- The *National Partnership on Early Childhood Education* aims to ensure universal access to quality early childhood education, delivered by university-trained early childhood teachers, for 15 hours a week, 40 weeks a year.
- The [National Quality Framework for Early Childhood Education and Care](#) (NQF) (2009) aims to raise quality and consistency in education and care services. The NQF now applies to long-day care, family day care, care outside of school hours, and preschools/kindergartens.
- The National Partnership Agreement for Indigenous Early Childhood Development targets early learning, support for Indigenous families, and improved health for mothers and their children. As part of the agreement, a network of 38 Children and Family Centres is being established, offering integrated early childhood and parenting services. The first centre opened in 2011, and all centres are on track to be established by 2014.



PREPARING STUDENTS FOR THE FUTURE: FLUID TRANSITIONS TO FURTHER EDUCATION OR LABOUR MARKET

Labour market perspectives can play an important role in the decision to stay in education. In Australia, unemployment rates are lower than the OECD average. The share of 15-29 year-olds not in education and not employed (11.8%) is below the OECD average (see Figure 4), but there is scope to increase the capacity and responsiveness of skills developed in vocational education and training.

Upper secondary education is not compulsory in Australia, and examinations vary across the states and territories. A challenge shared by countries at this level is to provide relevant education that will prepare young adults for work and, at the same time, provide capacity for further learning. In Australia, 85% of 25-34 year-olds attained upper secondary level education (above the OECD average of 82%, see Figure 2). In most cases, Australian general and vocational programmes are offered in upper secondary schools. Successful completers are awarded a Senior Certificate of Education, giving access to both general and vocational programmes.

Vocational education and training (VET) in Australia is provided at the general secondary and tertiary education levels, and employers are well-engaged in the system. VET can facilitate entry into the labour market through work-study programmes, Technical and Further Education institutes and private Registered Training Organisations. VET in schools enables upper secondary students to study units toward a recognised VET qualification while completing a Senior Certificate. There is a well established flexible qualification system that provides autonomy and innovation, underpinned with data and research. Current reforms have aimed to shape a more demand-driven VET system (see Spotlight 2), introducing more flexibility in the length of apprenticeships and ensuring support through a common procedure for assessing them.

In **tertiary education**, Australia's attainment is higher than the OECD average (see Figure 2). It has the fifth highest graduation rate among OECD countries in academic programmes (tertiary-type A), and the seventh highest graduation rate in vocationally oriented programmes (tertiary-type B). About 21.2% of all tertiary students are foreign, the second highest rate of foreign tertiary students among OECD countries in 2010. The participation of Aboriginal and Torres Strait Islander people in higher education is below that of the Australian population as a whole. A recent *Review of Higher Education Access* (2012) highlights the need for co-operation between different stakeholders and outlines a roadmap to help increase the access of Aboriginal and Torres Strait Islander students to university education. As in other OECD countries, the expansion of tertiary education implies providing a sufficiently wide offer of studies to address the skills needs of the labour market as well as the interests of the student population.

The challenge: Enhancing skills to meet the demands of the rapidly changing economy.

Recent policies and practices

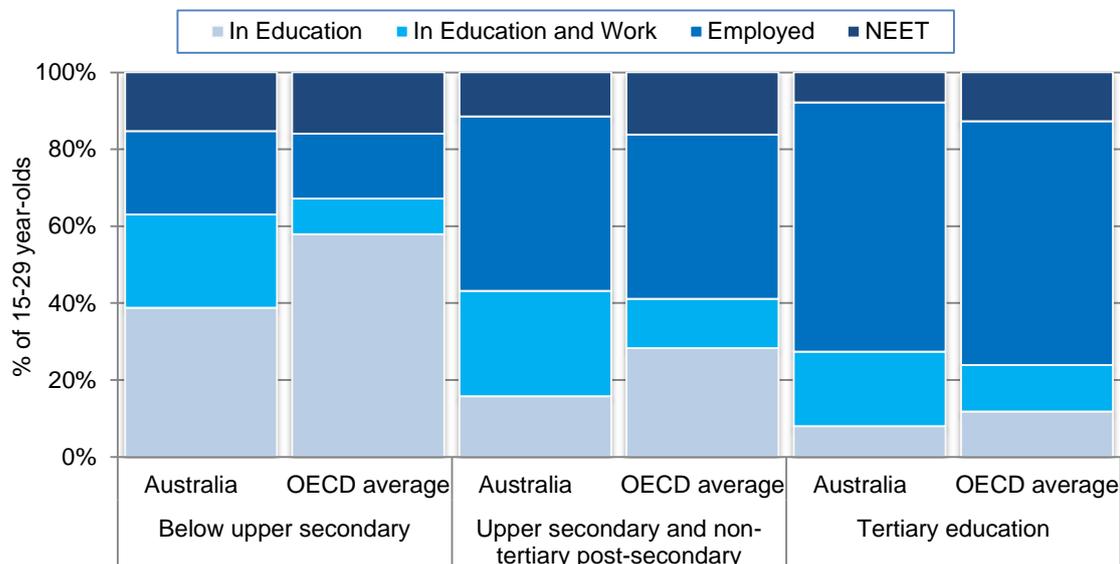
The *National Partnership on Youth Attainment and Transitions* (2009) aims to retain youth in education, and to improve their transition to further education, training or employment to align to the Council of Australian Governments' goal of a 90% upper secondary (Year 12 equivalent) attainment rate by 2015. It clarifies actors' responsibilities to achieve targets and provides funding to programmes related to student engagement, attainment and transition.

Australia has been active on the skills agenda (see Spotlight 2). The *National Partnership Agreement on Skills Reform* (2008, renewed in 2012) details national reforms, including a new entitlement to a subsidised training place for up to the first Certificate III qualification and income-contingent loans for Diploma and Advanced Diploma qualifications. The *National Agreement for Skills and Workforce Development* commits Commonwealth¹ and state and territory governments to addressing access and social inclusion issues through collaborative action in skills. The *National Foundation Skills Strategy for Adults* (2012) aims to help working age Australians increase their English language, literacy and numeracy skills for improved economic and social participation.

The *Advancing Quality in Higher Education* plan (2012-14) introduces various performance measurement initiatives to improve teaching and learning in higher education. The *Higher Education Participation and Partnerships Program* provides additional funding to help universities attract, support, and retain students from disadvantaged backgrounds. These students may receive financial support through *income support grants for eligible students* and income contingent loans available to all students.



Figure 4. Percentage of 15-29 year-olds in education and not in education, by educational attainment and work status, 2010



NEET: Neither Employed, nor in Education and Training

Source: OECD (2012), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en>.

Spotlight 2. Responding to skills challenges

Australia has been working on multiple initiatives to improve the quality of post-secondary education, particularly in vocational education and training (VET), to meet the demands of the labour market. In 2009, the Council of Australian Governments set VET targets to be achieved by 2020, including:

- to increase to more than three-quarters the share of working age Australians with a Certificate III level qualification or higher (up from around half in 2009)
- to double the number of Diploma and *Advanced Diploma* completions.

The government also aims to improve apprenticeships, with targeted incentives for employers and students. [Australian Apprenticeship Centres](#) provide a single source of information and support for employers, apprentices and training providers as well as for individuals searching for an apprenticeship. The [Australian Apprenticeships Access Program](#) provides pre-vocational training linked to an apprenticeship pathway for vulnerable jobseekers. Mentoring programmes are also being developed which aim to increase completions.

In addition to the above VET targets, the Australian Government has also set two national targets for higher education:

- Attainment: by 2025, 40% of all 25-34 year olds will have a qualification at bachelor level or higher
- Participation: by 2020, 20% of higher education enrolments at undergraduate level will be people from low socio-economic status.

The [Australian Qualifications Framework](#) (2011) is the national policy for regulated qualifications, supporting the development of pathways that assist people to move between different education and training sectors and between those sectors and the labour market.

The Australian Workforce and Productivity Agency (2012) provides independent advice on skill needs in the Australian economy and on how to direct skills investment to improve productivity.



SCHOOL IMPROVEMENT: POSITIVE ENVIRONMENTS, FOSTERING LEADERSHIP AND TEACHING

The key to raising achievement in Australia's 9 435 schools is developing the conditions for school leaders and teachers to succeed. Overall, Australia's **learning environments** are similar to those in other OECD countries. Students report good relations with their teachers and indicate that their teachers motivate them to read (see Figure 5). The number of hours students are taught per year in primary, lower and upper secondary schools is among the highest in OECD countries.

Australia is making efforts to raise the profile of **school leaders**. According to PISA 2009, Australian school principals perform tasks related to pedagogical leadership: about 64% reported that they observe instruction in classrooms (higher than the OECD average of 50%) and 93% said they use student results to develop the school's educational goals (higher than the OECD average of 75%). At the same time, Australian teachers reported receiving less feedback from principals than the average in OECD's 2008 [Teaching and Learning International Survey](#) (TALIS). Preparatory training for school leaders is optional and varies across states and territories. Ensuring quality provision is key for effective school leadership. In 2007, a majority of principals reported that they did not feel well-prepared for their first leadership post, and only 36% of primary school deputy principals and 24% of secondary deputy principals wished to apply for a principal post. However, this may have changed in recent years.

Teachers are well-prepared, but more professional development could help them improve the disciplinary climate in the classroom. Teachers have university degrees, and the ratio of teachers' salaries to the earnings of tertiary-educated workers is above the 2010 OECD average. Teachers have a heavy teaching workload, with more teaching time than in other OECD countries (868 hours per academic year in primary school compared to the OECD average of 782 hours). Most teachers (97%) reported in TALIS that they participate in professional development activities, although the average number of days (9) was about half of that reported by teachers in countries participating in TALIS (15). About 44% reported having a high need for professional development (below the TALIS average of 53%). Australia was the only country in the TALIS survey where the number of days that teachers spent on professional development was significantly associated with improvements in the disciplinary climate in the classroom.

The challenge: Providing school leaders and teachers with adequate development opportunities.

Recent policies and practices

Australia has taken actions to strengthen the teaching and school leadership profession. The [Australian Institute for Teaching and School Leadership](#) was established in 2010 and has developed national approaches to build capacity in this area.

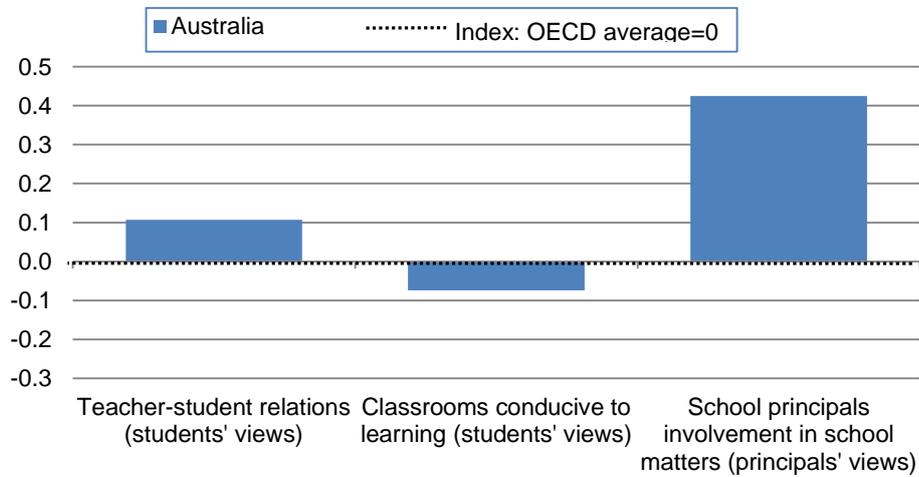
The [Australian Professional Standards for Teachers](#) (2010) comprises seven standards in four career stages (graduate, proficient, highly accomplished and lead teacher) and three domains (professional knowledge, practice and engagement).

The [Australian Professional Standards for Principals](#) is based on three leadership requirements that principals draw upon within five areas of professional practice: leading teaching and learning; developing self and others; leading improvement, innovation and change; leading the management of the school; and engaging and working with the community.

The [National Partnership on Improving Teacher Quality](#) (2009-13) provides funding (AUD 550 million) to states and territories to attract the best graduates through additional pathways into teaching, improving the quality of teacher training in partnership with universities, ensuring national consistency in the registration of teachers to support better mobility within the teaching force, enhancing their skills and knowledge through better performance management and professional learning, and retaining the best teachers through better rewards for teachers and leaders in remote areas and hard-to-staff schools.



Figure 5. The learning environment, PISA 2009



Source: OECD (2010), *PISA 2009 Results: What Makes a School Successful? Resources, Policies and Practices (Volume IV)*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264091559-en>.



EVALUATION AND ASSESSMENT TO IMPROVE STUDENT OUTCOMES: PRACTICES VARY WIDELY ACROSS THE COUNTRY

Australia has clear national goals and a **well-conceived evaluation and assessment framework**, while there is less clear articulation on how it can generate improvements in classroom practice. The Council of Australian Governments and the Standing Council on School Education and Early Childhood help to ensure that the different levels of government work together to consolidate a national evaluation and assessment framework. At the same time, there is a great diversity of practices based on locally defined school improvement frameworks. Realising the full potential of the overall framework involves establishing strategies to strengthen the linkages to classroom practice (see Figure 6).

System evaluations use clear standard frameworks for reporting key performance measures. There is a stable set of national measures on school education and a procedure for monitoring at the state and territory level. A priority is to strengthen information systems that provide data on students' socio-economic and Indigenous status so their progress towards national goals can be more easily monitored (see Spotlight 3). More monitoring of private schools is also advisable.

Schools are expected to perform self-evaluations, and some form of external review mechanism is increasingly common. Literacy and numeracy test results are widely used to inform evaluations. Some issues at the national level can be clarified, such as the relationship between accountability and improvement. Aligning self-evaluations with external evaluations, such as by using common criteria, could be beneficial, as could broadening the scope and increasing the frequency of external reviews.

Teachers are granted extensive autonomy, but there are few opportunities for professional feedback, and the quality of **teacher appraisals** can vary widely. Aligning teaching standards with a competency-based career structure could be beneficial. Teachers would then be held accountable for their practices, and established career pathways could help to define how careers can progress and identify professional development needs. Teacher appraisals used to assess and improve performance should remain as they are, but evaluations conducted at schools could be improved and be validated by external inspectors.

There is a coherent system for **assessing student learning** against national goals. The current strategy for school student assessment is a combination of the National Assessment Program – Literacy and Numeracy (NAPLAN) and teacher-based assessments, which implies a considerable investment in teacher capacity. The current prominence of NAPLAN within the student assessment framework requires particular care about not reducing the importance of teacher-based assessment, and the extent to which NAPLAN is balanced in its representation of the depth and breadth of intended student learning goals.

The challenge: Providing clear information on the strengths and weaknesses of schools and on best practices to help achieve objectives.

Recent policies and practices

Australia has developed a number of strategies for reporting on education progress, including the recent Myschool website (see Spotlight 3).

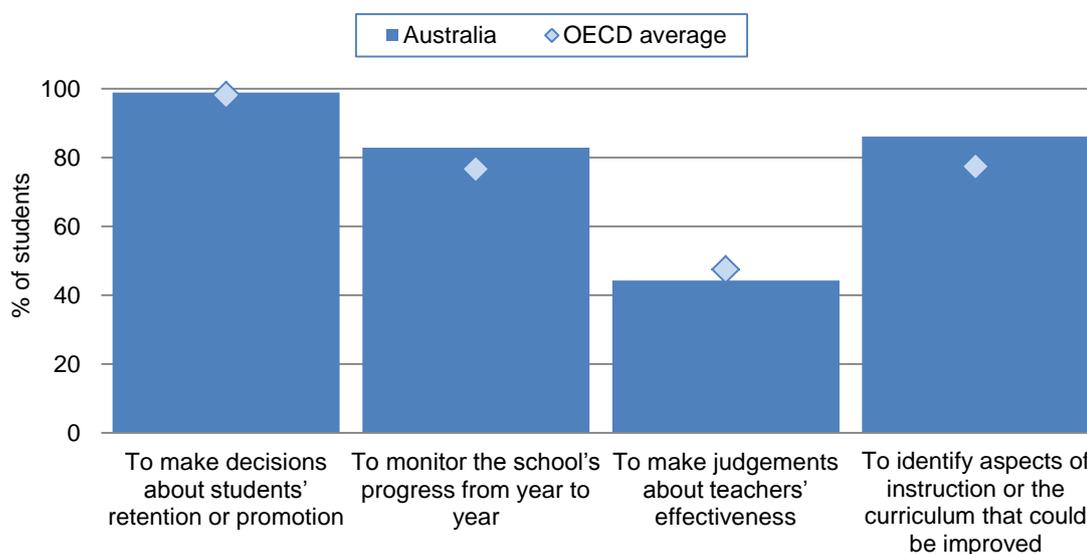
The [Australian Early Development Index](#) (2009) is a population-based measure of how children have developed by the time they start school. It can be used by policy makers, communities and other organisations to aid in program delivery and policy development. Information is collected every three years.

Student performance has been monitored nationally since 2008 through the [National Assessment Program – Literacy and Numeracy](#). It currently assesses students in Years 3, 5, 7 and 9 in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy.

An [Australian Teacher Performance and Development Framework](#) will be in place from 2013. It aims to improve teaching through continuous assessment, feedback and performance appraisal, and by providing professional development opportunities to all teachers. The framework is underpinned by the [Australian Professional Standards for Teachers](#).



Figure 6. Percentage of students in schools where the principal reported assessments of students in national modal grade for 15-year-olds, PISA 2009



Source: OECD (2010), *PISA 2009 Results: What Makes a School Successful? Resources, Policies and Practices (Volume IV)*, OECD Publishing, Paris <http://dx.doi.org/10.1787/9789264091559-en>.

Spotlight 3. Assessing and reporting on education progress

The National Education Agreement establishes five performance indicators that allow for reporting on national progress towards achieving the agreed outcomes. Additionally, the National Agreement for Skills and Workforce Development identifies long term objectives for skills and workforce development including the outcomes, performance indicators and targets against which progress can be measured. Other national progress reports include:

- the "National Report on Schooling in Australia" published annually by the Australian Curriculum, Assessment and Reporting Authority
- the "Annual National Report of the Australian Vocational Education and Training System" published by the Australian Government
- "Education 2011: Comparing performance across Australia", the annual "National Education Agreement Performance Report", published by the COAG Reform Council
- "Skills and Workforce Development 2011: Comparing performance across Australia", also published annually by the COAG Reform Council
- The "Report on Government Services", published annually by the Australian Government Productivity Commission.

These reports provide information on all public and private schools.

In addition, the Australian Government launched the [My School](#) website in 2010. The website, which will be expanded over time, provides for the first time a wide range of information on Australian schools, the context in which schools operate, their capacities, and student outcomes. Since its launch, the website has been updated annually to provide more detailed information, including 2010 data on school funding, four-year results of student performance in literacy and numeracy in the National Assessment Program – Literacy and Numeracy (and the gains made by students over a two-year period), as well as VET information (for secondary schools) on enrolment and completion by level and industry area. Updates are planned to continue on an annual basis.

The Australian Government also launched two new websites in 2012:

- [My Skills](#) provides information to connect individuals and employers with training organisations that best suit their needs. It will be progressively updated as new functionality and data become available.
- [My University](#) provides students with information about higher education providers, including course information and fees, student demographics, student satisfaction and graduate destination survey results, student services and campus facilities, research student numbers and scholarships.



GOVERNANCE: STATES AND TERRITORIES, KEY POLICY ACTORS IN NATIONAL EDUCATION AGENDA

Australia's six states and two territories are in charge of delivering school and vocational education. Together with the Council of Australian Governments, the Standing Council on School Education and Early Childhood and the Standing Council on Tertiary Education, Skills and Employment work to develop a **shared national policy framework**. Other bodies shape education policy:

- The Australian Children's Education Quality and Care Authority provides support to the implementation of the National Quality Framework for Early Childhood Education and Care.
- The Australian Qualifications Framework Council is responsible for the Australian Qualifications Framework, which unifies all qualifications into one comprehensive framework.
- The Australian Curriculum, Assessment and Reporting Authority develops curriculum, student-assessment policies and national data collection, and reports on school education outcomes.
- The Australian Institute of Teaching and School Leadership is responsible for delivering national reforms for teachers and school leaders.
- Other stakeholders include unions (e.g. Australian Education Union, Independent Education Union), industry groups (e.g. Australian Chamber of Commerce and Industry, Australian Industry Group), non-government associations (e.g. Independent Schools Council Australia), and Aboriginal and parents groups.

States and territories make most education decisions in schools and vocational education and training (VET). Intergovernmental arrangements between national and state governments define education goals through national agreements. States make most planning, structure and resource decisions, including personnel management. Early childhood education and care services may be operated by a range of providers, such as government authorities or non-government schools, community-based organisations, or private-for-profit providers. The policy and funding responsibility for VET, shared by the Australian Government, states and territories, could benefit from a clearer administrative division for consistency.

Greater autonomy has been granted to all of Australia's 9 435 schools (71% public and 29% private) since 2003. Schools take 49% of decisions and the states take 51%, with schools making most decisions regarding the organisation of instruction (see Figure 7).

Decision-making in **higher education** is shared between the Australian Government and higher education providers. While the Australian Government has policy responsibility, Australian universities have the authority to accredit their courses and are also responsible for their academic and quality assurance standards. Most other higher education institutions are accredited by the Tertiary Education Quality and Standards Agency, which maintains the National Register of Higher Education Providers.

The challenge: Within a decentralised approach, ensuring there is alignment and reform capacity across states and territories to deliver reforms, while maintaining a national vision.

Recent policies and practices

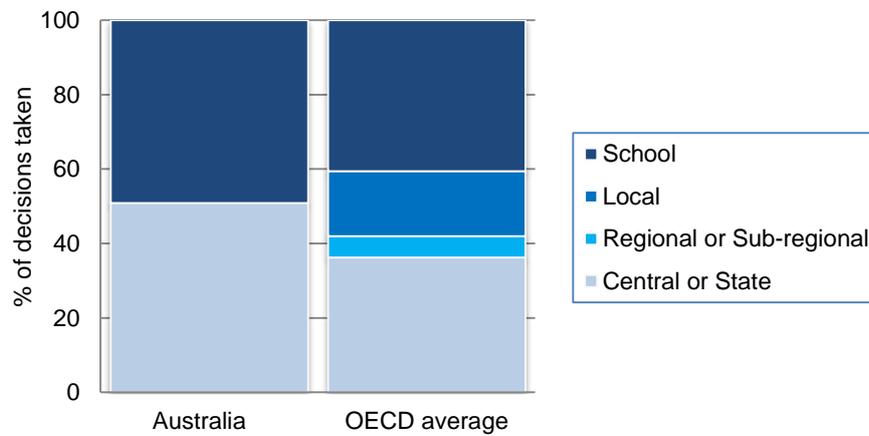
The [Melbourne Declaration on Educational Goals for Young Australians](#), agreed by Australian education ministers in 2008, sets the direction of education for the next ten years. Its objectives include supporting quality teaching and school leadership, supporting education at different levels, promoting a quality national curriculum and assessment, improving outcomes for indigenous and disadvantaged youth, and improving accountability and transparency.

To set a national vision, the [National Education Agreement](#) aims to ensure that all students are engaged in schooling, to help raise student achievement, and to reduce inequities in education, especially for students from Indigenous or socio-economically disadvantaged status. It is further developed through [National Partnership Agreements](#) which define objectives, outputs and milestones related to delivery of specific strategies and policies.

In 2011, two new national regulators were established at the tertiary level: the [Australian Skills Quality Authority](#) (ASQA) for VET and the [Tertiary Education Quality and Standards Agency](#) (TEQSA) for higher education. The ASQA seeks greater national consistency and increased rigour in registering training providers, accrediting courses and monitoring the quality of the system. The TEQSA aims to ensure that students receive high-quality education at any higher education institution.



Figure 7. Percentage of decisions taken in public lower secondary schools at each level of government, 2010



Source: OECD (2012), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en>.



FUNDING: CLARIFYING SOURCES OF SCHOOL FUNDING A KEY GOAL

Australia's **investment in education institutions** is similar to the OECD average. Expenditure on education institutions at all levels is 6% of GDP (slightly below the OECD average of 6.2%) (see Figure 8). Between 2005 and 2009, Australia has increased spending by 0.7 percentage points (above the OECD average of 0.4 percentage points). As in most OECD countries, a large portion of the expenditure on educational institutions is from public sources (73.2% in Australia, compared to the 2009 OECD average of 84.0%). The share of private expenditure² is 26.8% (above the OECD average of 16%). Most of the private funds are from household expenditure.

Australia allocates similar amounts of **annual expenditure per student** across the different levels of education. The annual expenditure per student from primary to tertiary education of USD 10 407 is above the 2009 OECD average of USD 9 252. But this indicator does not take into account public subsidies, which are high in Australia.

Funding for schools varies depending on whether the school is public or private. Government (public) schools are resourced by state and territory governments (91.4% their own expenditure and 9% provided by the Australian Government via the National Schools Specific Purpose Payments, associated with the National Education Agreement). Around 66% of Australian students attend government schools and are entitled to free education, but families may have to pay for school supplies. Non-government (private) schools receive public funding from the Australian Government (72% of public expenditure and 28% provided by states and territories). About 33% of students attend non-government schools and pay tuition ranging from free to AUD 15 000 per year.

The Australian Government has primary responsibility for public **funding of higher education institutions**. This funding is largely provided through the Commonwealth Grant Scheme. Students pay tuition fees directly or through income-contingent loans. Of public and private expenditure for tertiary education, 54.6% comes from private sources (compared to the 2009 OECD average of 30%), and 39.1% is exclusively from household expenditures. The government provides additional financial support for students with disadvantaged backgrounds. Funding for vocational education and training institutions varies across states and territories. The Australian Government funds VET through the National Agreement for Skills and Workforce Development and the National Partnership Agreement on Skills Reform, as well as directly co-funding employers for some training. Funding is more complex, in part due to the multiple types of VET institutions, and more transparent funding criteria are required for both institutions and student fees.

Funding for schools lacks **transparency and coherence**. Numerous studies show that it is difficult to determine how individual schools are funded. This lack of transparency prompts concerns about efficiency and equity in education, particularly given the prevalence of private schools compared with other OECD countries. Evidence, including a study commissioned by the government (see Spotlight 4), indicates that government schools, most affected by inequitable funding, become less attractive to students from upper socio-economic status who move to private schools. With restricted resources, government schools then have a growing share of students needing the most support.

The challenge: Achieving consistency and transparency in funding.

Recent policies and practices

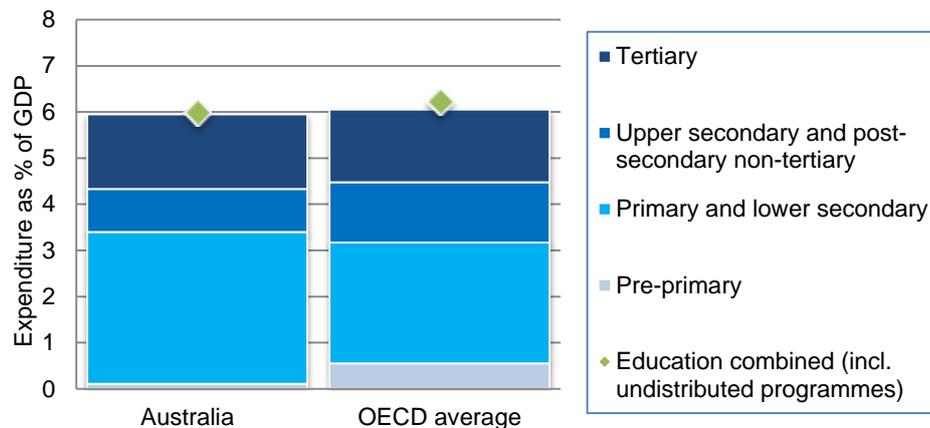
A recent review of school funding highlighted the need for more transparency, coherence and efficiency in the system. Actions are underway to improve the situation (see Spotlight 4). Other initiatives address this issue:

The [Intergovernmental Agreement on Federal Financial Relations](#) (2009) aims to improve the quality and effectiveness of government services by setting clearer responsibilities for each level of government, reducing Commonwealth prescriptions on service delivery to states and allowing for greater flexibility.

The [Smarter Schools National Partnerships](#) (2008) are part of a funding approach that engages all school systems (including the non-government sector) in partnerships to improve educational outcomes for all students, particularly disadvantaged students. The partnerships focus on raising literacy and numeracy outcomes (until 2012), improving teacher quality (until 2012), and addressing educational disadvantage associated with socio-economically disadvantaged school communities (until 2015). Over 2 500 Australian schools in both government and non-government sectors participate in these national partnerships.



Figure 8. Expenditure on educational institutions as a percentage of GDP, by level of education, 2009



Source: OECD (2012), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en>.

Spotlight 4. Responding to the challenges of providing appropriate resources to all schools

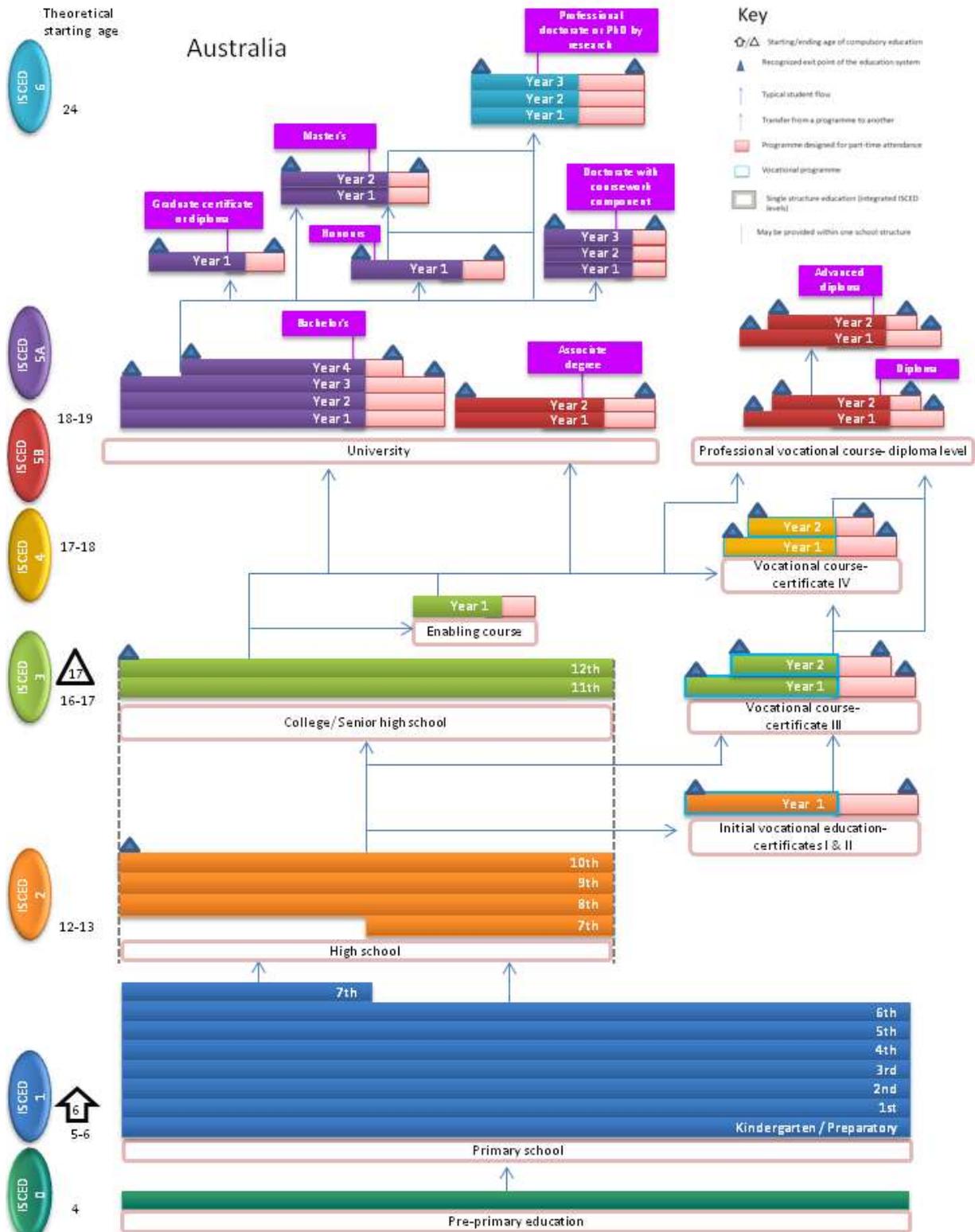
In 2010, the Australian Government commissioned an independent *Review of Funding for Schooling (Final Report, December, 2011)*. It reported that current arrangements for funding, accountability and transparency in Australian schools are not supporting quality outcomes for all students, and that some schools are not getting the resources they need. In response, the Australian Government has introduced into Parliament the Australian Education Bill 2012. This bill pursues a national vision for schooling reform, based on the National Plan for School Improvement and the shift towards needs-based funding for education.

The bill outlines the core reform directions of the National Plan for School Improvement, which builds upon the government's existing achievements in the areas of quality teaching, quality learning, empowered school leadership, transparency and accountability, and meeting students' needs.

The proposed new school funding model will have a benchmark amount per student, based on the costs of schools that are already performing well. The model also aims to provide extra funding to students identified as needing additional resources (e.g. students with limited English skills, those from lower income families, Aboriginal and Torres Strait Islander students and students with disabilities). These students will receive additional funding so that schools will no longer need to rely on grants or short-term programmes. This would ensure that every student who needs more support would get it, regardless of the type of school attended. In April 2013, the bill was still before Parliament.



ANNEX A: STRUCTURE OF AUSTRALIA'S EDUCATION SYSTEM



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ANNEX B: STATISTICS

#	List of key Indicators	Australia	Average or total	Min	Max
Background information					
<i>Political context</i>					
1	Public expenditure on education as a percentage of GDP, 2009 (EAG 2012)	5 %	5.8 %	3.8 %	8.7 %
<i>Economy</i>					
2	GDP per capita, 2009, in equivalent USD converted using PPPs (EAG2012)	39 971		14 397	82 972
3	GDP growth 2011 (OECD National Accounts)	2.3 %	1.8 %	-7.1 %	8.5 %
<i>Society</i>					
4	Population density, Inhab/km2, 2010 (OECD Statistics)	2.9	138	2.9	492
5	Young people, aged less than 15, 2010 (OECD Statistics)	18.9 %	17.3 %	13 %	28.1 %
6	Foreign-born population, 2009 (OECD Statistics)	26.5 %	14.1 %	0.8 %	36.9 %
Education outcomes					
7	Mean reading performance (PISA 2009)	515	493	425	539
8	Change in Mean reading performance, 2000-09 (PISA 2009)	-13	1	-31	40
9	Change in Mean mathematics performance, 2003-09 (PISA 2009)	-10	0	-24	33
10	Change in Mean science performance, 2006-09 (PISA 2009)	0	3	-12	30
11	Enrolment rates in early childhood education and primary education, ages 3 and 4, 2010 (EAG 2012)	30.9 %	71.9 %	10.3 %	100 %
12	Population that has attained below upper secondary education, 25-64 year-olds, 2010 (EAG 2012)	27 %	26 %	8 %	69 %
13	Population that has attained at least upper secondary education, 25-34 year-olds, 2010 (EAG 2012)	85 %	82 %	42 %	98 %
14	Population that has attained tertiary education, 25-34 year-olds (EAG 2012)	44 %	38 %	17 %	65 %
15	Population whose highest level of education is vocational upper secondary or post-secondary non-tertiary, 2010 (EAG 2012)	19.1 %	m	8 %	71.2 %
Unemployment rates, 25-64 year-olds, 2010 (EAG 2012)					
16	Below upper secondary	6.2 %	12.5 %	3.1 %	40.8 %
	Upper secondary and post-secondary non-tertiary	3.6 %	7.6 %	2.2 %	18 %
	Tertiary education	2.8 %	4.7 %	1.6 %	10.4 %
Students: Raising outcomes					
17	First age of selection in the education system (PISA 2009)	16	14	10	16
Proficiency levels on the reading scale (PISA 2009)					
18	Students below Level 2	14.2 %	18.8 %	5.8 %	40.1 %
	Students at level 5 or above	12.8 %	7.6 %	0.4 %	15.7 %
Between- and within-school variance in reading performance (PISA 2009)					
19	Between schools	2 692	3 616	665	6 695
	Within schools	7 631	5 591	2 795	8 290
20	Students reporting that they have repeated at least a grade in primary, lower secondary or upper secondary schools (PISA 2009)	8.4 %	13 %	0 %	36.9 %



#	List of key Indicators	Australia	average or total	Min	Max
21	Variance in student performance explained by student socio-economic status (PISA 2009)	13 %	14 %	6 %	26 %
22	Difference in reading performance between native students and students with an immigrant background, after accounting for socio-economic status (PISA 2009)	-11.0	27	-17.0	85.0
23	Gender differences in student performance on the reading scale (PISA 2009)	-37	-39	-55	-22
<i>Policy lever 2: Preparing students for the future</i>					
Upper secondary graduation rates, 2010 (EAG 2012)					
24	General programmes	70 %	50 %	18 %	78 %
	Pre-vocational/ vocational programmes	49 %	46 %	3 %	94 %
25	Change in upper secondary graduation rates (average annual growth rate 1995-2010), (EAG 2012)	m	m	-1 %	4.7 %
Graduation rates, first-time graduates, 2010 (EAG 2012)					
26	Tertiary-type 5A	m	39 %	20 %	60 %
	Tertiary-type 5B	m	10 %	0 %	26 %
	Tertiary-type 5A (average annual growth rate 1995-2010)	m	5 %	1 %	9 %
	Tertiary-type 5B (average annual growth rate 1995-2010)	m	-1 %	-34 %	15 %
27	Youth population not in education, employment or training 15-29 year olds, 2010 (EAG 2012)	11.8 %	15.8 %	7.1 %	36.6 %
Institutions: Improving schools					
<i>Policy lever 3: School improvement</i>					
28	Index of teacher-student relations based on students' reports (PISA 2009)	0.11	0	-0.42	0.44
29	Index of disciplinary climate based on students' reports (PISA 2009)	-0.07	0	-0.40	0.75
Teachers younger than 40 years-old, 2010 (EAG 2012)					
30	Primary education	m	42 %	17 %	61 %
	Lower secondary education	m	39 %	0 %	58 %
	Upper secondary education	m	34 %	8 %	47 %
Number of teaching hours per year in public institutions, 2010 (EAG 2012)					
31	Primary education	868	782	502	1097
	Lower secondary education	819	704	415	1087
	Upper secondary education	803	658	377	1087
Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education, 2010 (EAG 2012)					
32	Primary education	0.92	0.82	0.45	1.31
	Lower secondary education	0.92	0.85	0.45	1.35
	Upper secondary education	0.92	0.90	0.45	1.38
33	Change in teachers' salaries between 2000 and 2010 in lower secondary education (2000 = 100), (EAG 2012)	13 %	17 %	-9 %	105 %
34	Impact of teacher appraisal and feedback upon teaching, 2007-08 (TALIS 2008)	19.4 %	33.9 %	10.9 %	69.1 %
35	Teachers who wanted to participate in more development than they did in the previous 18 months, 2007-08 (TALIS 2008)	55.2 %	55 %	31 %	85 %
36	School principals' views of their involvement in school matters, Mean Index, (PISA 2009)	0.42	-0.02	-1.29	1.03



#	List of key Indicators	Australia	average or total	Min	Max
<i>Policy lever 4: Evaluation and assessment to improve student outcomes</i>					
Assessment purposes (PISA 2009)					
37	To make decisions about students' retention or promotion	99 %	98 %	90 %	100 %
	To monitor the school's progress from year to year	82.9 %	77 %	35 %	98 %
	To make judgements about teachers' effectiveness	44.3 %	47 %	8 %	85 %
	To identify aspects of instruction or the curriculum that could be improved	86.1 %	77 %	47 %	98 %
Frequency and source of teacher appraisal and feedback, 2007-08 (TALIS 2008)					
38	Once every two years or less	50.1 %	35.8 %	13.8 %	65.6 %
	At least once per year	41.4 %	52.2 %	27.6 %	68.6 %
	Monthly or more than once per month	8.5 %	12 %	3.3 %	29.8 %
Systems: Organising the system					
<i>Policy lever 5: Governance</i>					
Decisions taken at each level of government in public lower secondary education, 2011 (EAG 2012)					
39	Central or state government	51 %	36 %	0 %	87 %
	Regional or sub-regional government	0 %	6 %	0 %	36 %
	Local government	m	17 %	4 %	100 %
	School government	49 %	41 %	5 %	86 %
<i>Policy lever 6: Funding</i>					
Annual expenditure per student by educational Institutions, for all services, in equivalent USD converted using PPPs for GDP, 2009 (EAG 2012)					
40	Pre-primary education	8 493	6 670	2 158	16 247
	Primary education	8 328	7 719	2 185	16 494
	Secondary education	10 137	9 312	2 536	19 324
	Tertiary education	16 074	13 728	6 373	29 201
Relative proportions of public and private expenditure on educational institutions, 2009 (EAG 2012)					
41	Public sources	73.2 %	84 %	58.9 %	97.6 %
	All private sources	26.8 %	16 %	2.4 %	41.1 %
	Public sources, index of change in expenditure on educational institutions (2000-2009)	151	133	103	191
	All private sources, index of change in expenditure on educational institutions (2000-2009)	158	186	51	751
Note: The average, minimums and maximums refer to OECD countries except in TALIS where they refer to participating countries. "m" refers to data not available. PISA values that are statistically significant are indicated in bold.					



NOTES

1. The term “Commonwealth” refers to the *Commonwealth of Australia*.
2. Private expenditure refers to household expenditure, and expenditure of other private sources, such as private businesses and non-profit organisations, as well as expenditure by private companies on work-based element of school-and work-based training of apprentices and students.



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