	A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE
SUBMISSION NUMBER	1
DATE AUTH'D FOR PUBLICATION	22/6/07

Government Abandons Equity in Education

**A Submission to the Estimates Committee of the ACT
Legislative Assembly**

Save Our Schools

15 June 2007

Statement to Estimates Committee

Key Points

1. The ACT community was duped about the financial rationale for school closures. The ACT government sector is not in the dire financial situation asserted by Government Ministers last year.
 - A Budget surplus of \$39 million is now estimated for 2006-07 instead of the \$80 million deficit predicted last year, a turnaround of \$120 million;
 - A Budget surplus has been achieved in each of the last six years and the aggregate surplus for 2001-02 to 2006-07 was \$617 million;
 - An aggregate surplus of \$321 million is projected for 2007-08 to 2010-11;
 - The ACT is estimated to have a negative general government sector net debt in 2006-07 and 2007-08 and its net debt to revenue ratio of more than -80 per cent is the lowest of any jurisdiction in Australia;
 - The ACT has a lower net financial liabilities to revenue ratio (53 per cent in 2006-07 and 36 per cent in 2007-08) than most other jurisdictions in Australia;
 - The ACT has a strong positive net worth, that is, total assets less total liabilities. Its net worth as a proportion of revenue of nearly 360 per cent in 2006-07 and 2007-08 was strongest of all Australian jurisdictions.
2. The financial savings to the ACT Government from the school closure program were over-estimated the savings to the Department of Education and because they did not include costs to other government agencies arising from the implementation of the program.
 - The savings to the Department of Education were over-estimated because:
 - The enrolment component of school-based management funds was too low;
 - Several significant one-off costs were ignored, including for the duplication of special education facilities in other schools, purchase of new demountable classrooms and/or the transfer and installation of existing demountables, and refurbishment works in schools that receive additional students.
 - The loss of actual and forgone rental revenue and some ongoing costs were not included.
 - Other government agencies will incur additional costs as a result of school closures for:
 - Increased demand for school bus services;
 - Additional traffic safety measures; and
 - Ongoing building maintenance and security costs.
3. As a result of the Government's financial duplicity, many families have lost access to a local school, lost the choice of attending a small school and have incurred additional financial and other costs. Low income families have been hardest hit by this duplicity.
 - Ultimately, some 2000 children will have to travel longer distances to and from school;

- Many students face increased traffic safety risks in walking or cycling to and from more distant schools;
 - Families are incurring increased private and public transport costs because of longer distances to travel to and from school;
 - Most of the closed schools served families with a high level of socio-economic disadvantage, Indigenous families and families of students with disabilities.
4. The ACT Government appears to have abandoned the goal of improving equity in education outcomes.
- In the last six years, only token efforts have been made to reduce the large achievement gaps between the highest and lowest achieving students and between students from low and high income families. No new funding has been made available in the 2007-08 Budget to reduce the achievement gap;
 - Budget initiatives for school education now almost entirely consist of capital expenditure on 'bricks and mortar' rather than recurrent expenditure to improve student outcomes;
 - The Government has reneged on its 2004 election promise to inject an additional \$12 million in recurrent expenditure on government high schools. Instead of increasing the number of teachers and other staff, it has cut teachers from high schools and colleges.
5. Improving equity in education outcomes is the fundamental issue facing the ACT education system. The ACT has a high quality, low equity school system.
- Average outcomes for ACT 15-year old students are amongst the highest in Australia and the world for reading, mathematics, science and problem solving.
 - There is a large gap between the highest and lowest outcomes in the ACT in comparison with other high achieving countries and Australian states.
 - The achievement gap in reading, mathematics and science in the ACT is wider than in most other Australian states and nearly all of the top ten achieving countries;
 - School outcomes for students from low socio-economic status (SES) families in the ACT are significantly below those for all students and, by implication, well below those of students from high socio-economic families.
 - About 50 per cent of ACT 15 year old students from low SES families were below the OECD average in reading and science, compared to less than 30 per cent of all students;
 - Over 40 per cent of ACT 15 year old students from low SES families were below the OECD average in mathematics, compared to 31 per cent of all students.
6. The main policy priority for the government school system should be to develop and implement a comprehensive high school improvement plan.
- Literacy and numeracy learning needs increase significantly in the high school years;
 - About 20 – 30 per cent of Year 10 students do not complete Year 12;

- There is a higher level of student dissatisfaction about the nature of high schools, student support, safety and student/staff relationships than in primary schools and colleges;
 - Parent dissatisfaction levels are significantly higher in high schools than in the primary and college years.
7. The first step is to increase staffing in high schools and reinstate the teaching positions cut from high schools and colleges at the beginning of 2007.
- The Government now owes each high school an average of four additional teachers - two to replace those cut earlier this year and two more to honour its election promise.
 - Government colleges are also owed an average of 3 teachers each to replace those cut earlier this year.

Recommendations

Save Our Schools calls on the Estimates Committee to make the following recommendations in its report to the ACT Legislative Assembly on the Appropriation Bill 2007-08.

Recommendation 1

The Standing Committee on Public Accounts conduct an inquiry into the methodologies used by the Treasury to estimate the net Budget outcome.

Recommendation 2

The ACT Government revise its fiscal strategy of accumulating large surpluses each year and allocate additional expenditure to addressing recurrent community needs, including in school education.

Recommendation 3

The Auditor-General be requested to conduct a comprehensive review of the financial savings and costs associated with the school closure program and provide an estimate the net savings or costs to Government.

Recommendation 4

The ACT Government commission an independent review of the drift in enrolments from government to non-government schools to examine the factors contributing to the drift and to recommend action to arrest the drift.

Recommendation 5

The ACT Government commission an independent audit of traffic safety infrastructure in regions affected by full and partial school closures and that the results of the audit be published.

Recommendation 6

The ACT Government prepare a traffic management safety plan for each ACT government school.

Recommendation 7

The Standing Committee on Public Accounts conduct an inquiry into the reasons for the under-expenditure on the Government's capital works program in school education.

Recommendation 8

The ACT Government give priority to reducing the significant inequities in student outcomes in the ACT school system.

Recommendation 9

The ACT Government formulate and implement a comprehensive government high school improvement plan supported by adequate funding. The Plan should include programs to:

- Increase the number of teaching and other support staff;
- Improve teaching practice;
- Develop engaging curriculum;
- Increase student safety and welfare; and
- Improve student/staff relationships.

Recommendation 10

The ACT Government fulfil its 2004 election commitment to provide an additional \$12 million in recurrent funding for government high schools.

Recommendation 11

The ACT Government re-instate the 60 teaching positions abolished earlier this year in government secondary schools.

Submission to Estimates Committee

This submission considers two main issues - the school closure program and aspects of Government policy on school education.

The submission makes several key points:

1. The ACT community was duped about the financial rationale for school closures. The ACT government sector is not in the dire financial situation asserted by Government Ministers last year.
2. The financial savings to government from the school closure program were overstated.
3. As a result of the Government's financial duplicity, many families have lost access to a local school, lost the choice of attending a small school and have incurred additional financial and other costs. Low-income families have been hardest hit by this duplicity.
4. Traffic safety for young children walking or cycling longer distances to school and across major roads is a significant issue for many families and it has not been properly addressed by the ACT Government.
5. The ACT Government appears to have abandoned the goal of improving equity in education outcomes.
6. Improving equity in education outcomes is the fundamental issue facing the ACT education system. The ACT has a high quality, low equity school system.
7. The main policy priority for government schools should be to develop and implement a comprehensive high school improvement plan.

These points are elucidated in turn.

Contrived rationale for school closures

The Budget estimates show that the ACT Government duped the community on school closures. The 2007-08 Budget and other government financial statistics suggest that the financial case for school closures were contrived.

Last year, the Government said that the ACT could no longer afford neighbourhood schools because it faced an \$80 million deficit in 2006-07 and a further large deficit in 2007-08. According to the Government, the ACT faced an unsustainable financial situation and that increased efficiencies had to be achieved across the major expenditure portfolios such as health and education. It said that the ACT is living beyond its means and government expenditure needs to be reduced.

This mantra was repeated *ad infinitum* [for example: Budget Paper No. 2; Budget Paper No.3, ch.2; Chief Minister Hansard 6 June 2006, 26 August 2006, Estimates Hansard 20 June 2006]. Budget Paper No. 2 stated that the 2006-07 Budget aimed to increase efficiency and deliver budget savings.

It was argued that education costs in the ACT were too high. The Minister for Education made much of the fact that expenditure on school education in the ACT was 17 per cent

above the national average [Budget Fact Sheet F14; Towards 2020 regional consultation meetings]. The implication was that small schools were a significant factor contributing to this higher expenditure.

However, the Minister failed to fully analyse the sources of this higher expenditure. Such an analysis shows that the main sources are actually higher depreciation and superannuation costs for government school education in the ACT, together with the much higher retention rates to Years 11 and 12, which are the most expensive years of schooling in terms of per student costs.

In contrast to the dire financial situation painted in last year's Budget, the 2007-08 Budget shows that the actual net Budget outcome for 2006-07 was a \$39 million surplus on a Government Finance Statistics (GFS) basis. Thus, there was a turnaround in the net budget outcome of \$120 million.¹ Such a huge turnaround beggars belief. It indicates either vast incompetency in planning and budgeting or, more likely, that last year's estimates were contrived.

Official figures show that the financial situation of the ACT government sector is far from dire. The Government has far exceeded its own conservative fiscal objectives. In the 2002-03 Budget, the Government stated that its budget strategy was to maintain a balanced budget from 2002-03 to 2005-06 [Budget Paper No. 3: 3]. However, a surplus has been achieved in each of the last six years. The total aggregate surplus achieved for 2001-02 to 2006-07 was \$617 million (or \$456 million if the switch to the GFS framework in 2006-07 is taken into account). Moreover, surpluses are projected for the next four years. An aggregate surplus of \$321 million is projected for 2007-08 to 2010-11 (on a GFS basis).

It should be said that Treasury forecasting of the net Budget outcome has been lamentable. Treasury underestimated the aggregate net Budget outcome from 2001-02 to 2006-07 by \$528 million (AAS basis). It projected an aggregate deficit of \$89 million over this period. In the last two years it projected deficits totalling \$117 million on the AAS basis but an aggregate surplus of \$337 million was achieved. On the GFS basis, it projected a deficit of \$80 million for 2006-07 but the outcome is now estimated at a surplus of \$39 million – a turnaround of almost \$120 million.

It seems that the Treasury always under-estimates the net Budget outcome. The community could be forgiven for believing that the Treasury has a deliberate strategy of under-estimating the net Budget outcome in order to forestall community pressure on the ACT Government to deliver much needed services in health, education and other areas. The consistent bias in the Treasury's projections of the net Budget outcome is cause for an independent review of its forecasting methodology.

¹ On an Australian Accounting Standards (AAS) basis, the turnaround was even larger at \$216 million.

Recommendation 1

The Estimates Committee recommend that the Standing Committee on Public Accounts conduct an inquiry into the methodologies used by the Treasury to estimate the net Budget outcome.

The strong financial position of the ACT government sector is also confirmed by other broad financial indicators.

The ACT is estimated to have substantial negative general government sector net debt in that its cash reserves and investments are much greater than its gross debt liabilities. Its net debt to revenue ratio was estimated at over -80 per cent in 2006-07 and 2007-08 and it has the highest level of negative net debt of any jurisdiction in Australia.

The ACT also has a lower level of net financial liabilities than most other jurisdictions in Australia. Net financial liabilities as a proportion of revenue in the ACT was 53 per cent in 2006-07, compared to over 60 per cent in NSW and Victoria and 90 and 111 per cent respectively for the two other small jurisdictions of Tasmania and the Northern Territory. The ACT position is even stronger in 2007-08 with a ratio of 36 per cent.

In addition, the ACT has strong positive net worth. Net worth measures the total value of all assets less all liabilities. In 2006-07, net worth as a proportion of revenue in the ACT was 358 per cent and was the strongest of all Australian jurisdictions. A similar ratio is expected for 2007-08.

Such figures demonstrate that the Government's financial rationale for school closures is not sustained and that the community is entitled to feel duped by the Government.

In the light of the strong financial position of the ACT government financial sector, the Government's strategy of accumulating surpluses year after year should be questioned, especially in the light of demonstrated community needs such as in education. It is to be noted that Professor Glenn Withers from ANU has stated that accumulating surpluses is less of a benefit to the ACT than spending the money in ways which would have long-term benefits [Canberra Times, 8 June 2007]. In particular, he dismissed the argument that surpluses are needed to guard against future fiscal uncertainty by observing that the bottom line is just as likely to benefit from unexpected gains.

Save Our Schools believes that part of the accumulated surplus should be used to address student learning need in ACT government schools (see below).

Recommendation 2

The Estimates Committee recommend that the ACT Government revise its fiscal strategy of accumulating large surpluses each year and allocate additional expenditure to addressing recurrent community needs, including in school education.

Savings from school closures over-estimated

Save Our Schools considers that the Government has exaggerated the financial case for school closures. The Government's estimate was based on gross savings to the Department of Education and failed to net out other costs incurred by the Department and other government agencies associated with closing schools [see Attachment A].

Costs attributable to the Department of Education from closing schools include the duplication of special education facilities in other schools, purchase of new demountable classrooms and/or the transfer and installation of existing demountables, and refurbishment works in schools that will receive additional students. Other costs attributable to other government agencies include increased subsidies for bus travel with more students using buses, additional traffic safety measures, and ongoing building maintenance and security costs.

Such costs should have been taken into account in estimating the savings from closing schools. The Government failed to provide an estimate of the net saving (or cost). The interests of public accountability demand that the taxpayer be given the actual bottom line on savings or costs associated with its school closure program.

Save Our Schools suggests that the Auditor-General be requested to provide an independent estimate of the net savings (or costs) of the announced school closure program.

Recommendation 3

The Estimates Committee recommend that the Auditor-General be requested to conduct a comprehensive review of the financial savings and costs associated with the school closure program and provide an estimate the net savings or costs to Government.

Families bear increased costs

Many families face increased disruption and greater financial and other costs as a result of the duplicity of the Government. These families are entitled to feel betrayed by the Government.

Many families have lost access to a local school. The neighbourhood school is a key feature of a public education system [see Attachment B]. It has been a key part of the public education system in Canberra since its separation from the NSW system.

The neighbourhood school is central to the purpose of public education, which is to enable all children to attend school without discrimination and without regard to family financial circumstances. Achievement of this goal is aided by ready physical access to schools in each neighbourhood within a reasonable and safe walking distance for all young children, especially those from disadvantaged backgrounds.

The loss of the neighbourhood school means that many families face increased financial costs because children have to travel longer distances to and from school. They also face

increased safety risks where children walking or cycling to and from school have to cross major roads. The school closure program is forcing over 2000 students to travel longer distances to school and many of them face increased traffic safety risks (see below). The closure of a neighbourhood school is likely to undermine parent participation in schooling, a significant factor in student learning, especially in the early years of schooling. It means that parent participation becomes more dependent on financial capacity to pay for private or public transport to a more distant school.

Low income families, Indigenous families and families of students with disabilities (SWD) bear a greater burden of these costs. Access to a local school makes regular attendance at school less dependent on family capacity to provide or pay for transport and on safety considerations. The loss of the local school means that regular attendance at school becomes more subject to financial and safety considerations. It is the children of families who can least afford to bear the increased costs whose attendance is most likely to suffer.

Eight of the 15 primary schools listed for full or part closure by the end of 2008 have a relatively high proportion of their students from disadvantaged family backgrounds. One-third of all primary schools in Canberra with socio-economic disadvantage factors of over 40 per cent are to be closed in full or part.

Five of the seven primary schools Canberra with Indigenous enrolments of over 5 per cent of total enrolments will also be closed in full or part. Six of the 15 schools to close in full or part have more than five per cent of their enrolments comprised of SWD.

Families have also lost the choice of a small school. Many parents want to send their children to a small school. The removal of choice of a neighbourhood school and small schools from the public system is likely to cause more families to move to the private sector. There is already evidence of this happening.

Far from stopping the drift to private schools as the Minister for Education asserted last year, the school closure plan appears to have actually accelerated the drift. Seven primary schools closed at the end of 2006 and the loss of enrolments in government primary schools in 2007 is nearly 70 per cent greater than the loss in 2006. Indeed, the Minister for Education has now conceded that 10 – 15 per cent of students previously enrolled in a government school that was closed at the end of 2006 have not re-enrolled in another government school [Hansard, 30 May 2007].

In its report on the Appropriation Bill 2006-07, the Estimates Committee stated that there did not appear to be a clear strategy linking the *Towards 2020* proposal and the broader objective of stemming the flow to the non-government school system [96-97]. It also recommended that the Government undertake a comprehensive investigation into the drift from government schools to non-government schools and to report back to the Legislative Assembly by 30 November 2006. This recommendation has not been implemented by the Government.

In view of the loss of enrolments to the private sector following the school closures at the end of 2006, Save Our Schools considers that the investigation previously recommended by the Committee is imperative.

Recommendation 4

The Estimates Committee recommend that the ACT Government commission an independent review of the drift in enrolments from government to non-government schools to examine the factors contributing to the drift and to recommend action to arrest the drift.

There are also significant social costs to the community from the loss of the neighbourhood school [see Attachment B]. These costs were not adequately taken into account by the Government in its decision to close schools.

In view of the impact of school closures on families, many are entitled to be extremely angry at being 'conned' by the Government about the financial imperatives for school closures.

Overall, the Government's policy on small schools is contradictory. It has severely reduced the option to attend a small school in the government sector because of their higher cost, but small schools in the private sector continue to be supported by ACT Government funding. It has refused outright to set minimum enrolment levels for non-government schools but has de facto minimum levels for government schools.

Increased traffic safety risks for young children

The ACT Government has failed to adequately consider student safety in its school closure program as it has failed to provide for improved traffic safety measures for children travelling longer distances to school. It has failed to carry an audit of traffic safety infrastructure and to undertake safety improvement in high risk zones, especially where young children are required to cross major roads in order to access another school.

In response to questions on notice from the Estimates Committee in 2006, the Minister for the Territory and Municipal Services admitted that his Department had not determined what additional traffic calming and safety measures are needed to ensure the safety of young children walking and cycling longer distances to schools outside their neighbourhood. As a result, no additional funding has been budgeted to provide these measures.

There are potential 'black spots' where children will be at major risk of traffic accidents around Isabella Plains, Narrabundah and Weston where schools are fully or partially closed. Other suburbs where children travelling to and from school will face significantly increased traffic safety risks include Chifley, Cook, Flynn, Rivett and Scullin/Page.

It is inevitable that there will be more casualties amongst children travelling to and from school if nothing is done to upgrade traffic safety infrastructure in areas where schools have or will be closed in order to ensure safety in accessing another school. A study by

the Monash University Accident Research Centre has shown that the risk of accident for child pedestrians on arterial roads is three times as high as on local streets [see <http://www.monash.edu.au/muarc/media/childpeds.html>].

Road casualty figures show that nearly 50 per cent of pedestrian accidents in Canberra involve people aged under 20. Most bicycling road accidents also involve people under 20. National data shows that primary school children account for most of the fatalities and casualties among student pedestrians and cyclists. For example, an Austroads report shows that primary school students account for more than 75 per cent of school transport-related pedestrian fatalities [see Review of the School Bus Safety Action Plan – Final Report, 2002].

Several national child and traffic safety organizations have warned of increased dangers for young children crossing busy roads. The Child Accident Prevention Foundation of Australia says that children under 10 years old have not developed the necessary perceptual skills to judge speed and distance and to make judgements about gaps in traffic [see http://www.kidsafensw.org/roadsafety/pedestrian_safety.htm]. The Australian College of Road Safety says that the ability of young children to cope with traffic is extremely limited until the age of about 12 years [see <http://www.acrs.org.au/collegepolicies/people/pedestrians.html>]. It also says that children will generally try and minimise walking distances by taking short cuts.

These warnings are supported by much research. For example, a recent Macquarie University study shows that children under 10 years of age cannot reliably make judgements regarding safe behaviour in traffic situations [see <http://www.pr.mq.edu.au/macnews/showitem.asp?ItemID=89>]. Another study completed last year at the Monash University Accident Research Centre found that nearly 60 per cent of children aged between 7 and 10 years involved in a simulated pedestrian study ‘crossed the road’ at the wrong moment and that the decision could have cost the youngsters their lives in real life [see <http://www.monash.edu.au/muarc/media/childpeds.html>].

Studies also show that parents often over-estimate the ability of young children to cope in traffic situations. The Macquarie University study referred to above found that many parents wrongly believe that their children were competent road users by the age of 6 or 7. A similar finding was made by a Queensland School Transport Safety Task Force report in 2001 [see http://www.carrsq.qut.edu.au/past_initiatives/school_transport_safety/].

Save Our Schools believes that a full audit of pedestrian and cycling safety in the regions affected by school closures should be carried out urgently. The audit should include areas where schools will be partially closed. The results of the audit should be published. The ACT Government should also take up the recommendation of the Child Accident Prevention Foundation that a traffic management and safety plan should be prepared for each school.

Recommendation 5

The Estimates Committee recommend that the ACT Government commission an independent audit of traffic safety infrastructure in regions affected by full and partial school closures and that the results of the audit be published.

Recommendation 6

The Estimates Committee recommend that the ACT Government prepare a traffic management safety plan for each ACT government school.

Government has abandoned equity in education as a policy goal

The Government was elected on an education policy platform to address student need. Its election policy stated that a Labor Government would be committed to directing funding equitably and on the basis of greatest need. This objective has been re-affirmed on several occasions. For example, the Government's Social Plan sets several priorities for improving equity in education. Two key priorities, among others, are to:

- improve completion rates to Year 12 or its equivalent;
- increase literacy and numeracy levels for students at risk.

However, the Government has consistently failed to address these issues in any serious way. Despite all its rhetoric about social justice, the Stanhope Government appears to have given up on improving equity in education. There are several indicators of the abandonment of the goal of improving equity in school education.

- There has been little in the way of recurrent funding initiatives to improve equity in education outcomes. In six years of office, the Government has made only token efforts to reduce the achievement gap in our schools.
- The Government has adopted a 'bricks and mortar' approach to public education instead of addressing pressing education learning needs in government schools.
- The Government has reneged on its 2004 election promise to inject \$12 million in recurrent funding into government high schools.

The Government has provided little to no new funding to improve equity in education outcomes since it was first elected in 2001 [see Attachment B]. The 2007-08 Budget continues this neglect. It contains no new funding for programs to improve equity.

The Government's approach in past Budgets has been to allocate small amounts of funding to many programs rather than focus on the key challenge, which is improving outcomes for students at risk in high schools and the senior secondary years. The funding increase in these areas has been entirely inadequate to the problem at hand. For example, the High School Development Program of funding of \$0.5 million a year is largely expended on central office staff and the Program itself covers only a small aspect of the kind of comprehensive change needed in high schools. In contrast, an increase of over \$10 million a year is needed to make significant change.

In recent years, the Government has made 'bricks and mortar' the centrepiece of its education policy instead of funding increases in staff and programs that are needed to improve student outcomes, particularly for students from disadvantaged backgrounds.

Recent Budget initiatives have consisted largely of capital expenditure on ‘bricks and mortar’ rather than recurrent expenditure to improve student outcomes. Additional funding for government schools in the 2007-08 Budget is almost entirely devoted to capital expenditure. While much of this is welcome, it fails to address the key problems facing the ACT government school system (see below).

Even on its own terms, the Government appears not to be meeting its capital expenditure program in school education. For example, this year it underspent the \$30.86m allocated for new Towards 2020 capital works by \$9.5m, as actual expenditure was \$21.36m. The \$9.5m is shown to be picked up in 2007-08, resulting in an estimated T2020 capital works spend of \$75.050m. The next 2 years have similar projected expenditures. If the Government could only spend \$21m of the planned \$31m this financial year, it is questionable that \$75m will be spent in the next financial year and the following two years.

It is to be noted also that there are other under-expenditures on capital programs for school education. For example, some \$1.6m was under-spent this year from the first \$5m of the 4-year \$20m Smart schools, Smart students Towards 2020 initiative. There is also \$1m under-spent in upgrading older schools (from the rolling upgrades - \$11.3m in 2006-07).

Thus, there has been an overall under-expenditure in the capital works program of \$12.1m out of \$60m budget in 2006-07, that is, an under-expenditure of about 20 per cent. In view of the emphasis the Minister for Education has placed on this capital works program as a way of improving public education and arresting the drift of enrolments to non-government schools this under-expenditure warrants investigation.

Recommendation 7

The Estimates Committee recommend that the Standing Committee on Public Accounts conduct an inquiry into the reasons for the under-expenditure on the Government’s capital works program in school education.

The main problems in the government school system will not be solved by a ‘bricks and mortar’ approach. What matters most in improving school outcomes are more teachers and support staff, improving teaching and reducing the impact of poverty, low incomes and broken families on student learning.

The Stanhope Government has reneged on its election commitment to increase expenditure on high schools by over \$12 million to employ additional teachers. Instead of putting an extra two teachers into high schools as it promised, it has cut 2 teachers from each one. Overall, the Government has cut 60 teachers from government secondary schools, 35 from high schools and 25 from colleges. These cuts have already been disastrous for schools and students.

Improving equity in education outcomes should be a key goal

The ACT has a high quality, low equity school system [see Attachment D]. It has amongst the highest average outcomes in Australia and the world but it also has a large

achievement gap between the highest and lowest achieving students and between students from different social backgrounds. Save Our Schools considers that reducing these inequities is the fundamental issue facing the ACT school education system.

The Programme for International Student Assessment (PISA) Study in 2003 demonstrated that average outcomes for ACT 15-year old students are amongst the highest in Australia and the world for reading, mathematics, science and problem solving. However, the ACT school system also has a significant level of absolute need in that a significant proportion of students do not achieve adequate school outcomes. PISA also showed that about 12 per cent of ACT 15-year old students did not achieve expected levels of literacy. A similar proportion was not achieving expected levels in the PISA 2000 study.

Such students are likely to face a bleak future as adults. At the social level, it leads to a waste of talent and resources for society. Human talents that could contribute to society are not fostered. By failing to develop those talents, society incurs lost opportunities for development and enrichment. Having a proportion of young people at risk also incurs higher health care and welfare costs as well as greater crime.

The ACT system also has large achievement gaps. PISA 2003 showed that the gap in reading outcomes between the highest and lowest achieving students in the ACT was the largest of the higher achieving states in Australia and larger than all the ten top achieving countries, except New Zealand. The gap was similar to that for all OECD countries and for Australia.

The gap in mathematics outcomes in the ACT was the largest of all the states and territories except for the Northern Territory and larger than all the ten top achieving countries, except Belgium and Japan. It was higher than the gap for Australia but similar to the average range for all OECD countries.

The gap in ACT science outcomes was the largest of all the states and territories except for the Northern Territory and Tasmania and larger than all the ten top achieving countries, except Japan. The ACT gap was higher than the Australian average and slightly higher than that of the OECD.

Only in problem solving did the ACT have a smaller range of outcomes than the average for Australia.

A feature of this achievement gap is the gap between students from low socio-economic status (SES) families and those from high SES families. The PISA study shows that about 50 per cent of ACT 15-year old students from low SES families were below the OECD average in reading and science, compared to 30 per cent of all students. Over 40 per cent of ACT 15-year old students from low SES families were below the OECD average in mathematics, compared to 31 per cent of all students. The significant differences between the proportion of students from low socio-economic families below the OECD mean and

that for all students implies much larger differences between students from low and high socio-economic families.

Such disparities in school outcomes for students from different SES backgrounds entrench inequality and discrimination in society because students from more privileged backgrounds have greater access to positions of wealth, influence and power in society than students from more disadvantaged backgrounds.

It is noted that employer organisations in the ACT are concerned that skill shortages in the workforce is holding back the economic development of Canberra and its region. Reducing the achievement gap in school outcomes would also assist in alleviating these skill shortages. There is an economic as well as a social justice imperative to reduce the achievement gap.

The Government has had six years to develop programs to implement its policy to address student need and improve equity in education. It has conspicuously fallen short of this objective. Its program has provided minimal funding levels compared to what is needed. It has generally ignored key priorities.

Save Our Schools calls on the Estimates Committee to recognise the significant inequities in student outcomes in the ACT. The Committee should express its concern about the lack of balance in the Government's approach to the funding of government schools and the lack of priority given to meeting its election promises and the goals of its own Social Plan. Save Our Schools suggests that the Estimates Committee should recommend that the ACT Government give priority to the goal of improving equity in education.

Recommendation 8

The Estimates Committee recommend that the ACT Government give priority to reducing the significant inequities in student outcomes in the ACT school system.

High school improvement is the main policy priority

The major area of learning need in the government school system is in high schools. Therefore, a key aspect of improving equity in education is to improve high school outcomes. Save Our Schools believes that a comprehensive high school improvement plan should be formulated and that the ACT Government should fulfil its election promise to inject an additional \$12 million into recurrent funding of government high schools.

The case for a comprehensive high school improvement plan is based on the following points.

- Literacy problems almost double between Years 7 and 9.
- There are large achievement gaps in reading, mathematics and science between the highest and lowest achieving students and between students from high and low SES families.
- About 20 – 30 per cent of Year 10 students drop-out before completing Year 12.

- There is a high level of student dissatisfaction about the curriculum, teaching practices and student/staff relationships.
- Parent dissatisfaction levels are also significantly higher in the high school years than in the primary and college years.

While very low proportions of ACT primary school students do not achieve the National Benchmark levels in reading, writing and numeracy, there is significant increase in these proportions in the high school years. In 2006, 3 – 4 per cent of primary students did not achieve the reading benchmark and 4 – 7 per cent did not achieve the writing and numeracy benchmarks. However, in Year 7, 6 per cent did not achieve the reading benchmark, 9 per cent did not achieve the writing benchmark and 11 per cent did not achieve the numeracy benchmark. The proportion of Year 9 students not achieving expected levels is significantly higher than in Year 7. While National Benchmark outcomes are not available yet at this year level, the ACT Assessment Program results show that the proportion of students with literacy problems in Year 9 is almost double that in Year 7. Moreover, as outlined above, there are very large achievement gaps for 15-year old students in the ACT.

The Budget papers show that 15 per cent of Year 10 students in government schools do not proceed to government secondary college education. A small proportion of students enrolled in Year 11 do not proceed to Year 12. A further 15 per cent of Year 12 students do not receive a Year 12 Certificate. Overall, it appears that up to over 30 per cent of each Year 10 cohort in government schools does not complete Year 12. However, a proportion of these students may continue their education in other sectors or systems. Completion rate data indicates that approximately 20 per cent of ACT students do not receive a Year 12 Certificate, although this data is not published separately for government and non-government schools [Report on Government Services 2007].

Achievement of a threshold or minimum level of schooling for all students provides the necessary base for their future participation in adult society. Completion of Year 12 or its equivalent is a National Goal of Schooling. Students who fail to make adequate progress through each stage of schooling are ‘at risk’ of not completing Year 12. Students who do not obtain a Year 12 Certificate have to a large extent cut themselves off from further education and training and their future employment prospects and livelihood are ‘at risk’. Their ability to gain worthwhile and satisfying employment is ‘at risk’. Their ability to fully participate in adult society is ‘at risk’.

There is also evidence of student dissatisfaction with certain aspects of government high schools. Overall student satisfaction levels are much lower in high schools than in primary schools or colleges. For example, in 2005 69 per cent of high school students expressed satisfaction with their school compared to 89 per cent of primary school students and 91 per cent of college students [School Excellence Report 2005]. Much lower proportions of high school students feel they are in a safe and supportive environment and that they get along with teachers compared to primary schools and colleges. Nearly 30 per cent of high schoolteachers do not believe that different student needs are well catered for in high schools.

Levels of parent dissatisfaction are also significantly higher in high schools than primary schools or colleges. Nearly half of all parents choose non-government schools over government schools for the high school years.

Despite these well-identified problems, the ACT Government has failed to implement a comprehensive program for high school improvement. It continues a long tradition of ACT government failure to address problems in government high schools.

As noted above, the Stanhope Government has reneged on its election commitment to increase expenditure on high schools by over \$12 million to employ additional teachers. Instead of putting an extra two teachers into high schools as it promised, it has cut 2 teachers from each one. Overall, the Government has cut 60 teachers from government secondary schools, 35 from high schools and 25 from colleges.

These cuts have already been disastrous for schools and students. They mean that teachers have less time to provide learning and welfare support for individual students. They also mean that teachers have less time to communicate with parents about student progress. They have undermined teaching morale in high schools and colleges.

Save Our Schools considers that high school improvement is a key priority for the future of the government school system. The Government should be to introduce a comprehensive high school improvement plan supported by adequate funding. This plan should include increasing the number of teaching and other support staff, improving teaching practice, developing curriculum which engages students, improving student safety and welfare and improving student/staff relationships.

A first priority is to increase staffing in high schools. The Government now owes each high school an average of four additional teachers - two to replace those cut earlier this year and two more to honour its election promise.

Recommendation 9

The Estimates Committee recommend that the ACT Government formulate and implement a comprehensive government high school improvement plan supported by adequate funding. The Plan should include programs to:

- *Increase the number of teaching and other support staff;*
- *Improve teaching practice;*
- *Develop engaging curriculum;*
- *Increase student safety and welfare; and*
- *Improve student/staff relationships.*

Recommendation 10

The Estimates Committee recommend that the ACT Government fulfil its 2004 election commitment to provide an additional \$12 million in recurrent funding for government high schools.

Recommendation 11

The Estimates Committee recommend that the ACT Government re-instate the 60 teaching positions abolished earlier this year in government secondary schools.

While the main focus of reducing learning need and the achievement gap in student outcomes must be in high schools, action is also needed to improve outcomes and student support in the upper primary and college years to complement the high school improvement program. Such a program should include increased provision of learning assistance, student support and welfare and support for parent participation in student learning in the upper primary years and in colleges

The large aggregate surplus that has been accumulated since 2001 together with low level of ACT Government debt indicates that additional re-current expenditure on school education is affordable. Save Our Schools estimates that an additional \$20 million is needed to address learning needs across all sectors of the government school system and to begin to reduce the large inequities in student outcomes.

This would be a prudent investment for the future of the ACT community. It would provide major benefits to individual families and young people as well as the ACT economy and the general welfare of the whole community. The investment in education will reduce future government costs in many areas such as health, family and community services, unemployment and crime. It is the key to building the social capital of the Territory.

Attachment A

School Closure Savings are Over-Estimated

The ACT Government's estimates of savings from its school closure program were over-estimated because it over-estimated the savings to the Department of Education and failed to take account of increased costs to other government departments

Savings to the Department of Education are over-estimated

The estimate of savings to the Department of Education from closing schools is based on savings in staff salaries and SBM payments. There are several reasons to consider that this savings figure was over-estimated:

- The enrolment component of school-based management funds appears to be too low;
- Several significant one-off costs have been excluded;
- Some ongoing costs have not been taken into account; and
- It fails to include loss of actual and forgone rental revenue.

SBM enrolment-related costs appear to be under-estimated

The savings in SBM payments may be over-estimated because the allowance for the enrolment component seems low. The Department's estimates of the enrolment-related component of SBM payments are about 15% of total SBM payments. This appears to be unduly low as many of the items in school operating costs are enrolment-related, as outlined in the SBM Manual (<http://www.decs.act.gov.au/publicat/smm.htm>). If this is the case, the Government estimates of savings from closing schools will be over-estimated.

Several one-off costs are excluded

The Minister for Education admitted in answer to questions from the Estimates Committee of the Legislative Assembly that several additional one-off costs that will be incurred by the Department of Education as a consequence of closing schools. These additional costs have not been offset against the savings estimates.

These additional costs include:

- Duplication of special education facilities in other schools;
- Purchase of new demountable classrooms and/or the transfer and installation of existing demountables;
- Refurbishment works in schools that will receive additional students.

The Minister admitted that there will be additional costs involved in order to duplicate the special Learning Support Unit at Rivett PS on another location. Similar additional costs will also be incurred in duplicating other Learning Support Units in schools slated for closure at other schools. There are Learning Support Units at Holt PS, Melrose PS, Mt. Neighbour PS and Kambah HS.

However, the Department of Education has not yet undertaken the planning for the re-location of these units nor has it estimated the cost of replacing them. These new units will involve significant additional costs which should be offset against the savings estimates from closing schools.

The Minister has admitted that the Department of Education may have to purchase additional transportable classrooms in order to implement the school closure plan. Some schools may be over-capacity as a result of students transferring to new schools of choice and the Department will have to purchase and install demountable classrooms in order to ensure parents are given their choice of school.

The Minister stated that the estimated average cost for the purchase of a new transportable is \$200,000. In addition, there are installation costs such as preparing the site, air conditioning, footpaths and landscaping, IT cabling and provision of furniture. The cost of transporting and installing an existing demountable is about \$200,000. These costs have not been taken into account in the Government's savings estimates.

The Minister has also admitted under questioning that a range of general refurbishment works will take place in the schools that receive additional students. These refurbishments may include building renovations, new furniture, additional or upgraded playgrounds, new IT equipment and additional car parking space.

The Minister said that these works will be funded from the School Infrastructure Refurbishment funding announced in the 2006-07 Budget. However, these additional costs have not been offset against the Government's savings estimates from school closures.

In addition, there are a range of other one-off costs associated with school closures. These include staff re-location costs, counselling for students and staff and re-training or professional development. While these costs may be covered by the transitional funding allocated for the implementation of Towards 2020, they should be deducted from the gross savings estimate in order to determine the projected net savings figure.

Some on-going costs are ignored

The Department of Education may also face additional accommodation costs for Education Department staff currently housed in small schools and who will be forced into commercial office space because of school closures. This will add to overall government expenditure and should be subtracted from the gross savings estimate.

The amalgamation of pre-schools with schools creates potential for increased costs to the Department of Education. The amalgamations of pre-schools and primary schools proposed by Towards 2020 will involve changes in the governance arrangements for pre-schools which could affect the revenue from co-payments and fund raising by parents. The change of governance arrangements for pre-schools implied by the amalgamation with schools creates much uncertainty about the continued role of parents and the ongoing funding of pre-school operating costs. A longer term outcome could be increased

ACT Government expenditure on pre-schools, specifically in relation to resources and services currently funded by parents.

Failure to account for actual and potential loss of rental revenue

The estimate of savings does not take account of the loss of revenue to the Department of Education from tenants using excess space in schools. Several government and community organizations rent accommodation in schools that are proposed for closure and this provides revenue to the Department of Education which will be lost upon closure. This should be treated as a cost of school closure and be subtracted from the saving estimate.

This loss of revenue may be offset to a greater or lesser extent by increased rental revenue to the Department of the Territory and Municipal Services, depending on what uses are made of the vacated school premises. Nevertheless, both the reduction and increases in rental revenue should be included in any estimate of the savings (cost) impact on government finances of closing schools.

In addition, the opportunity to rent excess space is foreclosed by shutting down a school and there is income forgone which is a cost to be set against the gross savings to be obtained from school closures. Previous consideration of the benefits and costs of school closures in the ACT have included estimates of the loss of potential rental revenue for excess space as part of the costs of school closures to be deducted from estimates of gross savings [ACT Treasury 1990; Perkins 1990].

Costs incurred by other Government agencies

The savings estimates from closing schools also fail to take account of several one-off and ongoing costs to other Government agencies. The large part of these additional costs is likely to be incurred by the Department of the Territory and Municipal Services. The major additional costs include:

- provision of additional bus services;
- traffic safety measures; and
- building maintenance and security costs.

School bus costs are not included in savings estimate

A major ongoing cost of school closures is increased school bus costs. The ACT Government has failed to acknowledge that increased student bus travel following school closures will increase the costs to government and reduce the savings from closing schools. The Government has failed to provide any information on the impact of its proposed school closures on student bus travel or on ACTION costs and revenues. The Minister for Education Minister asserted at regional consultation meetings that increases in student bus travel will be met by alterations to existing services.

Changes in school location are likely to result in changes in demand for bus transport to school. Up to 2000 students will be displaced by the school closure program. A significant proportion of these students are likely to travel the longer distance to a school by bus. Additional bus services would be required to transport them. Additional demand

for bus services by school children will cause an increase in the Government subsidy payable to ACTION for these services to cover the loss which ACTION makes on these services. This loss is met by the Government in its general funding of the overall loss made by ACTION.

ACTION may also incur increased one-off costs. It may need to purchase additional buses to meet the increased demand and expand bus depot facilities.

These additional costs related to school bus transport should be included in the accounting of the benefits and costs to be obtained from school closures.

The Minister for the Territory and Municipal Services has admitted, in response to questions on notice by the Estimates Committee of the Legislative Assembly in 2006, that the Government has not estimated what increase in student bus travel is expected over the next four years as a result of the school closures proposed in the Towards 2020 Plan. It has not estimated how many new bus services will be required or how many new buses will need to be purchased by ACTION to meet the increased demand.

The Minister also admitted that his Department has not estimated the increase in total expenditure that will need to be budgeted to meet the costs of providing increased bus services such as new buses, additional drivers and other staff and repairs and maintenance.

In the debate over school closures in 1990, increased demand for student bus travel was a significant issue affecting the net savings to Government from closing schools. Following public discussion of the school closure plan, it was generally acknowledged that school closures would have significant implications for student bus travel and that these costs should be included in the assessment of the savings and costs of the plan.

The ACT Treasury and SOS both engaged consultants to prepare a study of the school bus requirements following school consolidation. While the findings of the studies differed significantly, they both concluded that the closure of 18 primary schools and 3 high schools would lead to an increase in student bus travel which would result in a net increase in ACTION costs.

The ACT Treasury and SOS subsequently carried out separate whole of government assessments of the costs and savings from school closures which included the increased costs to ACTION of increased student bus travel [ACT Treasury 1990; Perkins 1990]. These increased costs were offset against the estimated savings from closing schools.

The actual costing of additional bus services was the subject of much dispute. The issues in the debate concerned the estimates of the proportion of the students displaced from existing schools who would require bus transport to other schools. Also at issue was the number of extra bus services that would be required and how they should be costed.

A key issue in the findings of the two studies was application of the 1985 modal split to the pattern of student travel following school consolidation in the Treasury study. It assumed that the same proportion of students would travel by bus on intra-district trips as before school consolidation. However, this assumption was challenged because the 6 districts defined for the study were very large and it was likely that more students would have to travel by bus to access another school in the same district even if there was very little change to the inter-district modal split.

The SOS study assumed a significantly higher modal split for intra-district travel by primary school students than that used by the Treasury study. It assumed a 25 per cent modal split for bus travel compared to 8 to 17 per cent for different districts in the Treasury study. A survey of students at one primary school indicated a much larger modal split (40 per cent) than even that assumed in the SOS study.

The modal split for high school student travel in the SOS study was also significantly higher than that of the Treasury study, generally being 2 to 3 times higher for intra-district travel. The modal split for the SOS study was based on a survey questionnaire of students in the three high schools proposed for closure.

As a result of these differences in approach, the two studies came to much different conclusions about the projected increase in student bus travel and the requirements for additional bus services and buses.

A summary of the two school bus travel studies undertaken in 1990 is provided in the SOS submission on Towards 2020.

Traffic safety measures

Traffic flow arrangements in Canberra suburbs are designed to minimize contact between pedestrians and motor transport, and particularly to ensure safe pedestrian transit to neighbourhood schools. School closures will mean changes in how students get to school, either the route taken or the mode of transport used. If students continue to walk or cycle but need to take a different route, then it is most likely that some changes to traffic facilities will be required to provide safe routes to schools. The need may arise as the trips become longer (due to larger catchment areas) and/or they require crossing main roads.

There will be one-off costs to install traffic management facilities to provide accessible and safe new routes used by students who continue to walk and cycle. These facilities may include new walk/cycle routes and signalised or grade separated crossings. Some of these costs proved to be very substantial when schools were closed at the end of 1990.

These additional costs have not been taken into account in Government estimates of the savings from Towards 2020. The Minister for the Territory and Municipal Services has stated in response to questions from the Estimates Committee of the Legislative Assembly that the Department has not determined what additional traffic calming and safety measures will be needed to ensure the safety of young children walking and

cycling longer distances to schools outside their neighbourhood. As a result, no additional funding has been budgeted to provide these measures.

Building maintenance and security costs

Building maintenance and security will remain a whole of government cost even when schools are closed. These ongoing costs are not accounted for in the Government's estimates of savings from the closure and amalgamation of school.

When schools are closed, responsibility for the maintenance and security of the closed buildings and grounds will be transferred to the Department of Territory and Municipal Services. Ongoing maintenance and security costs will be incurred until such a time as the buildings are rented or sold. Indeed, these costs could well increase if the buildings remain vacant for a considerable period.

These costs should also be subtracted from estimates of gross savings from the school closure program.

Attachment B

Public Education and the Neighbourhood School

Public education is not just a matter of public funding, as many private schools receive the vast majority of their funding from public sources. Public education is also about providing universality and equity in education. It is also about building strong communities within and around neighbourhood schools.

The neighbourhood school is central to the purpose of public education, which is to enable all children to attend school without discrimination and without regard to family financial circumstances. Achievement of this goal is aided by ready physical access to schools in each neighbourhood within a reasonable and safe walking distance for all young children, especially those from disadvantaged backgrounds.

The neighbourhood school has a key role to play in achieving equity in education. It provides ready access to a school for all comers, especially the least well-off in the community.

The network of neighbourhood schools makes regular attendance at school less dependent on family capacity to provide or pay for transport and on safety considerations. If this network is broken up, attendance at school becomes more subject to financial and safety considerations. It is the children of families who can least afford to bear the increased costs whose attendance is most likely to suffer.

Lower attendance at schools is generally reflected in lower learning outcomes. Reduced access to a local school may exacerbate the large gap in education outcomes that already exists between the highest and lowest achieving students in the ACT.

The higher financial costs incurred by attending more distant schools also cuts into family resources that are available to support children's learning by the purchase of books, toys, and holidays, etc.

The neighbourhood school also supports parent participation in schooling, a significant factor in student learning, especially in the early years of schooling. Ready access to a local school ensures that parent participation is not dependent on parent financial capacity to pay for private or public transport.

It means that parents can easily help out in the classroom, help out in the canteen and attend school concerts and sporting events. It also makes for easy and regular direct communication between parents and teachers and for better mutual understanding.

The neighbourhood pre-school provides similar benefits. Pre-school education is an important stage in early childhood learning which should be readily available for all families and not be dependent on capacity to pay for transport. Parent participation is also critical to the operation of pre-schools.

The local pre-school provides an important linkage to other forms of early childhood learning. For example, playgroups provide opportunities for child socialization and informal learning through play for children under school age. Many of these groups are located in neighbourhood pre-schools so that they are within walking distance for families.

Schools are not just places to teach children, but can be used as learning centres for the local community. By keeping schools open during non-traditional school hours, the school can provide access to facilities and educational resources to support life-long learning opportunities for community members. They can be used by other government agencies and community organisations to provide a variety of learning activities and services to the local community.

Neighbourhood pre-schools and primary schools also play a critical role in developing and sustaining social support networks between families in local communities. Very often friendship groups for children and for parents are formed in the local pre-school and primary school and are developed into broader social networks that form essential social capital in these communities.

These social networks provide tangible assistance, care and support that may reduce psychic and physical stress. They often avert the need for costly government intervention services.

The public school is often the only public facility in a local neighbourhood. As such, it serves as a public resource for families and community members which contributes to community well-being in a variety of ways.

Schools can serve as a 'hub' for the delivery of a range of government services in the local community. They provide a base for information about and delivery of a range of health, welfare and social services by community and government agencies to students and their families. These services include family services, health clinics, youth service programs and childcare. Increasingly in many countries, government school sites are used to support integrated service provision for student and family welfare.

The neighbourhood school also provides public space for recreational and leisure activities in the community. It can also serve as a meeting place for the local community.

The significance of neighbourhood schools for local communities is exemplified in the role played by local primary schools as community support and activity centres when bushfires ravaged several Canberra suburbs in 2003. Several primary schools became key centres for distraught residents, especially Duffy PS. If these schools had not existed, there would not have been any public facility available in these suburbs for the community to gather in to support each other, organize activities and rebuild their local community.

Attachment C

New Initiatives for School Education: 2002-03 to 2006-07

Program	Est. annual cost
2002-03 Budget	
Reduction in Year 3 class sizes	\$3.6 m
High School Development	\$0.5 m
IT upgrade	\$0.7 m
Indigenous education	\$0.2 m
Student pathways	\$0.4 m
Total	\$5.4 m
2003-04 Budget	
Youth workers in high schools	\$0.8 m
Curriculum renewal	\$0.6 m
Career education support	\$0.5 m
School Equity Fund expansion	\$0.15 m
School improvement	\$0.1 m
Total	\$2.15 m
2004-05 Budget	
Student health and fitness	\$0.4 m
ICT infrastructure, professional support and related measures	\$2.2 m
Repairs and maintenance for buildings	\$1.0 m
Students with disabilities	\$1.1 m
Indigenous student support	\$0.5 m
Total	\$5.2 m
2005-06 Budget	
Increase in pre-school hours	\$2.4m
Students with disabilities	\$1.0m
Student support fund	\$0.5m
Total	\$3.9m
2006-07 Budget	
Transitional funding for families in closed schools	\$1.0m
Asbestos management	\$0.15m
Total	\$1.15m

Attachment D

ACT PISA 2003 Outcomes

Key Points

The results of the Programme for International Student Assessment (PISA) Study in 2003 demonstrate that the ACT has a high quality, low equity school system. Its average outcomes are very high by national and international standards, but it has amongst the largest differences between the highest and lowest outcomes in the world as well.

High outcomes

- Average outcomes for ACT 15-year old students are the highest in Australia for reading, mathematics, science and problem solving.
- The ACT has the highest average outcomes in the world for reading, scientific literacy and problem solving and ranks 2nd in mathematics.
- The ACT has the highest proportion of students achieving at the highest proficiency levels for reading and mathematics in Australia and the world. (These results are not reported for science and problem solving.)
 - 22 per cent of ACT students were at Level 5 reading compared to the Australian average of 15 per cent and 16 per cent for New Zealand, which was the highest performing country.
 - 10 per cent of ACT students were at Level 5 mathematics compared to the Australian average of 6 per cent and 11 per cent for Hong Kong, the highest achieving country.
- The ACT had the equal smallest proportion of students at the lowest proficiency levels for reading in Australia and the equal second smallest proportion at these levels in mathematics.
 - 8 per cent of students were at Level 1 or below in reading compared to the Australian average of 12 per cent and 19 per cent for all OECD countries. Only Finland and Korea had a smaller proportion of students at these levels than the ACT.
 - 11 per cent of ACT students were at the lowest proficiency levels in mathematics compared to 14 per cent for Australia and 21 per cent for all OECD countries. Only Finland, Korea and Canada had lower proportions of students at these proficiency levels.

Large achievement gap

- There is a large gap between the highest and lowest outcomes in the ACT in comparison with other high achieving countries and Australian states. Only in problem solving did the ACT have a smaller range of outcomes than the average for Australia.

- The range of reading outcomes in the ACT was the largest of the higher achieving states in Australia and larger than all the ten top achieving countries, except New Zealand. The range was similar to that for all OECD countries and for Australia.
- The range of mathematics outcomes in the ACT was the largest of all the states and territories except for the Northern Territory and larger than all the ten top achieving countries, except Belgium and Japan. It was higher than the range for Australia but similar to the average range for all OECD countries.
- The range in ACT science outcomes was the largest of all the states and territories except for the Northern Territory and Tasmania and larger than all the ten top achieving countries, except Japan. The ACT range was higher than the Australian average and slightly higher than that of the OECD.
- The difference between the highest and lowest outcomes in problem solving in the ACT was the smallest in Australia except for South Australia and Western Australia and was less than the average range for Australia and the OECD.

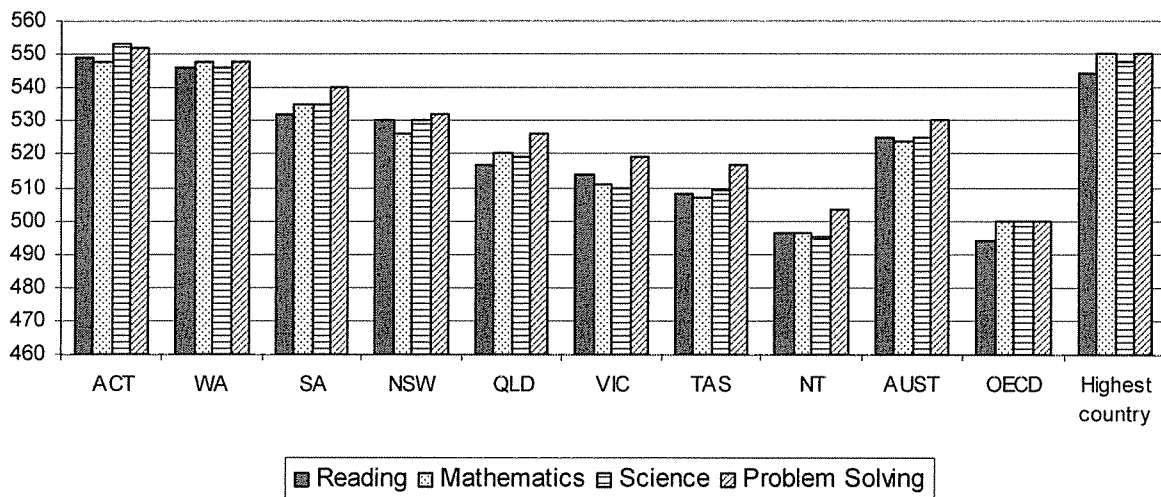
Gender outcomes

- The mean reading score of ACT female students was significantly higher than that of males while the mean score in mathematics was the same as for males. The difference in reading between females and males was almost double that in the PISA 2000 Study.
- The difference in mean scores for reading between females and males was the largest of the higher achieving Australian states and larger than for the ten highest achieving countries, except Finland.
- There was a large difference in the proportion of ACT females and males at the highest and lowest proficiency levels in reading and mathematics.
 - 27 per cent of females were at the Level 5 reading proficiency compared to 15 per cent of males while only 5 per cent of females were at Level 1 or below compared to 12 per cent of males.
 - 8 per cent of females were at the Level 5 mathematics compared to 2 per cent of males and 9 per cent of females were at Level 1 or below compared to 22 per cent of males.

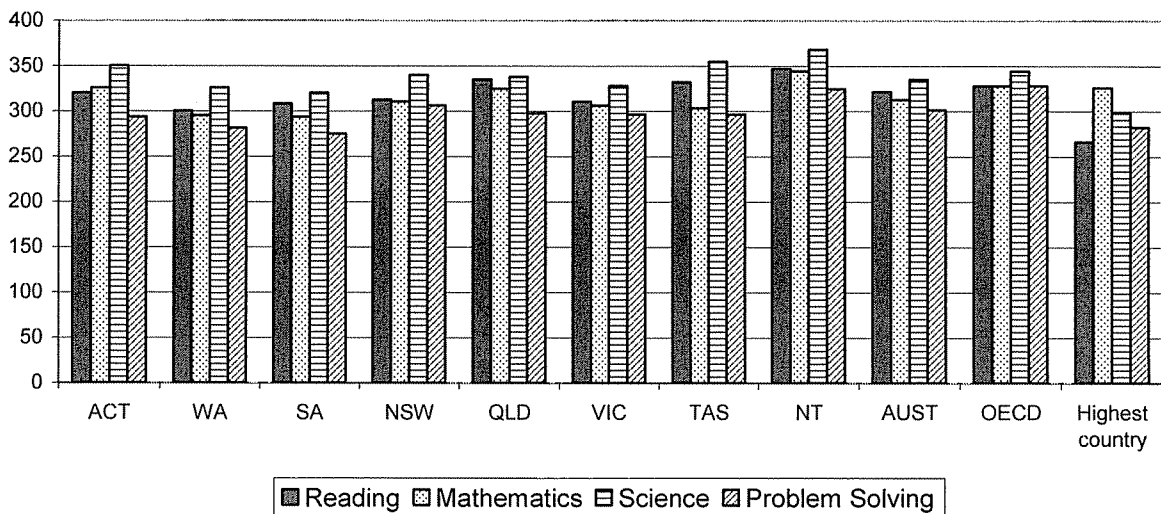
Outcomes by socio-economic background

- About 50 per cent of ACT 15 year old students from low socio-economic status (SES) families were below the OECD average in reading and science, compared to 30 per cent of all students;
- Over 40 per cent of ACT 15 year old students from low SES families were below the OECD average in mathematics, compared to 31 per cent of all students.

Mean Scores in PISA Study



Score Ranges in PISA Study



Detailed ACT Outcomes

The Programme for International Student Assessment (PISA) conducted in 2003 assessed 15-year old students in 41 countries in reading, mathematics and scientific literacy as well as problem solving.² It included all OECD countries and 11 non-OECD countries.

The primary focus of the study was on mathematical literacy. PISA 2000 had focussed on reading. The study assessed understanding of key concepts, use of a range of processes in the correct way and application of knowledge and skills in different situations. The focus of the study was on broad skills and not just, for example, the ability to read and write.

Just over 12,500 students from 321 schools around Australia participated in the study. The schools and students were randomly selected. Nearly two-thirds of the students were from government schools.

In the ACT, 25 schools participated in the assessments – 18 government schools, 5 Catholic schools and 2 Independent schools. A total of 893 students participated.

The results of PISA 2003 were published in December 2004.

Reading literacy

The ACT achieved the highest average reading results in Australia with a mean score of 549. This was five per cent higher than the Australian average (525) and slightly higher than that of Western Australia (546). However, there was no statistically significant difference between the results for the ACT, Western Australia, South Australia and NSW.

The ACT mean score was also the highest in the world, being slightly higher than that of Finland (544) and 11 per cent higher than the average of OECD countries.

The PISA survey classified reading skills in 6 categories, from Level 5 to below Level 1. Level 5 proficiency involves ability to deal with difficult texts and to complete sophisticated reading tasks. Level 1 proficiency includes being able to find explicitly stated pieces of information, to recognise the main theme or author's purpose in a text and make a connection between common everyday knowledge and information in the text.

Students who do not progress beyond Level 1 are likely to experience problems in some spheres of adult life while students who have not achieved Level 1 proficiency are likely to be seriously disadvantaged in their lives beyond school. Students with literacy skills below Level 1 may be at risk not only of difficulties in their initial transition from education to work, but also of failure to benefit from further education and learning opportunities throughout life [Lokan et.al. 2001, p.78; Thomson, Cresswell and De

² PISA 2003 outcomes reported here are derived from Thomson, Cresswell and De Bortoli 2004 and OECD 2004.

Bortoli, 2004, pp.94-5; OECD 2004, p.279].

The ACT had the highest proportion of students achieving at Level 5 reading in Australia and the world. Some 22 per cent of ACT students were at Level 5 compared to the Australian average of 15 per cent and 16 per cent for New Zealand, which was the highest performing country in the proportion of students at Level 5.

The ACT had the equal lowest proportion of students at Level 1 or below in Australia. The ACT and Western Australia had 8 per cent of students at these levels compared to the Australian average of 12 per cent and 19 per cent for all OECD countries. Only Finland and Korea had a lower proportion of students at these levels (6 per cent).

The ACT results were similar to those achieved in the PISA 2000 Study.

Range of outcomes

There was a large difference between the highest and lowest reading outcomes in the ACT in comparison with other high achieving countries and Australian states. The ACT range of outcomes between the 5th and 95th percentiles was similar to that for Australia and the OECD, even though the ACT mean score was significantly higher in both cases. The ACT range was the largest of the higher achieving states in Australia. It also had a larger range of outcomes than all the ten top achieving countries, except New Zealand.

The range of ACT outcomes in the PISA 2003 Study was similar to that in the 2000 Study.

Table 1: Summary of PISA 2003 Reading Outcomes for States and Territories

State/Terr	Mean Score	Score Range 5 th -95 th percentile	Proportion at Level 1 & Below (%)
ACT	549	320	8
WA	546	300	8
SA	532	308	10
NSW	530	312	11
QLD	517	335	15
VIC	514	310	13
TAS	508	332	15
NT	496	347	20
AUST	525	321	12
OECD	494	328	19
Finland	544	266	6

Note: The range of scores for the states and territories is approximate. They were estimated from Thomson, Cresswell and De Bortoli 2004, Figure 4.5, p.107.

Gender outcomes

The mean score of ACT female students was significantly higher than that of males, 569 compared to 527. The female mean was slightly higher than in PISA 2000 but the male mean fell from 542 to 527.

The difference in mean scores between males and females (42) was the largest of the higher achieving states and larger than the ten highest achieving countries, except Finland.

The difference between female and male mean scores in the ACT was almost double the difference of the PISA 2000 Study. This was largely the result of the significant fall in the male mean score.

There was a large difference in the proportion of females and males at the highest and lowest reading literacy levels in the ACT. Some 27 per cent of females were at the Level 5 reading proficiency compared to 15 per cent of males and 5 per cent of females were at Level 1 or below compared to 12 per cent of males. However, the proportion of females and males at Level 5 was higher than the respective averages for Australia and the proportions at Level 1 or below was lower than the respective Australian averages.

Mathematical literacy

The ACT and Western Australia achieved the highest mean score in overall mathematical literacy of 548. This was about 5 per cent higher than the Australian average of 524. However, there was no statistically significant difference between the mean scores of the ACT, Western Australia and South Australia.

The ACT mean score was also the second highest in the world behind Hong Kong (550). It was slightly higher than that of Finland (544) and 10 per cent higher than the average of OECD countries.

These results were similar to those achieved in the PISA 2000 Study.

The ACT had the highest proportion of students achieving at Level 5 mathematical proficiency in Australia and in the world, except for Hong Kong. Some 10 per cent of ACT students were at Level 5 compared to the Australian average of 6 per cent and 11 per cent for Hong Kong.

The ACT had 11 per cent of students at the lowest proficiency levels. This was higher than in Western Australia (9 per cent), equal to that of South Australia and lower than the Australian average of 14 per cent. The ACT proportion at these levels was much lower than the OECD average of 21 per cent and only Finland, Korea and Canada had lower proportions of students at these proficiency levels.

Range of outcomes

There was a large difference between the highest and lowest mathematical outcomes in the ACT in comparison with other high achieving countries and Australian states. The

ACT range of outcomes between the 5th and 95th percentiles was higher than the Australian average and similar to that of the OECD, even though the ACT mean score was significantly higher in both cases. The ACT range was the largest of all the states and territories except for the Northern Territory. It also had a larger range of outcomes than all the ten top achieving countries, except Belgium and Japan.

The ACT had the largest range of outcomes at the lower end of the scale in Australia except for the Northern Territory. The ACT had a range of 109 points between the 5th and 25th percentiles compared to the Australian average of 96 points and an OECD average of 100 points. This range was also the largest of the ten highest achieving countries except Belgium and Hong Kong.

Table 2: Summary of PISA 2003 Overall Mathematical Outcomes for States and Territories

State/Terr	Mean Score	Score Range 5 th -95 th percentile	Proportion at Level 1 & Below (%)
ACT	548	326	11
WA	548	295	9
SA	535	293	11
NSW	526	310	14
QLD	520	325	17
VIC	511	306	17
TAS	507	303	18
NT	496	344	22
AUST	524	312	14
OECD	500	328	21
Finland	544	274	6
Hong Kong	550	326	11

Note: The range of scores for the states and territories is approximate. They were estimated from Thomson, Cresswell and De Bortoli 2004, Figure 3.2, p.80.

Gender outcomes

The mean score of ACT female students of 548 was the same as for males. In the PISA 2000 Study, the male mean was slightly higher than for females.

However, there was a large difference in the proportion of females and males at the highest and lowest mathematical proficiency levels in the ACT. Some 8 per cent of females were at the Level 5 mathematics compared to 2 per cent of males and 9 per cent of females were at Level 1 or below compared to 22 per cent of males.

The proportion of females at Level 5 in the ACT was higher than the average of 4 per cent for Australia while the proportion at the lower levels was much lower than the Australian average of 14 per cent.

The proportion of males at Level 5 in the ACT was much lower than the Australian average of 7 per cent and the proportion at Level 1 or below was much higher than the Australian average of 15 per cent.

Scientific literacy

The ACT had the highest mean score in scientific literacy in Australia. Its score of 553 was significantly higher than the Australian average of 525. However, there was no statistically significant difference between the scores of the ACT and Western Australia.

The ACT score was also the highest in the world. It was slightly higher than that of Finland and Japan (both 548) and 11 per cent higher than the average of OECD countries.

These results were similar to those achieved in the PISA 2000 Study. The proportion of students at the different proficiency levels was not reported in either Study.

There was a large difference between the highest and lowest science outcomes in the ACT in comparison with other high achieving countries and Australian states. The ACT range of outcomes between the 5th and 95th percentiles was higher than the Australian average and slightly higher than that of the OECD, even though the ACT mean score was significantly higher in both cases. The ACT range was the largest of all the states and territories except for the Northern Territory and Tasmania. Despite having the highest mean score in science in the world, the ACT had a larger range of outcomes than all the ten top achieving countries, except Japan.

Table 3: Summary of PISA 2003 Science Outcomes for States and Territories

State/Terr	Mean Score	Score Range 5 th -95 th percentile
ACT	553	350
WA	546	326
SA	535	320
NSW	530	340
QLD	519	338
VIC	510	328
TAS	509	355
NT	495	368
AUST	525	335
OECD	500	344
Finland	548	298
Japan	548	358

Note: The range of scores for the states and territories is approximate. They were estimated from Thomson, Cresswell and De Bortoli 2004, Figure 4.13, p.122.

Gender differences in scientific literacy were not statistically significant in any of the states and territories.

Problem solving

The ACT achieved the highest mean score in problem solving in Australia. The ACT score was 552 compared to the Australian mean of 530. However, there was no statistically significant difference between the mean scores of the ACT, Western Australia and South Australia.

The ACT score was also the highest in the world. It was slightly higher than that of Korea (550), Finland (548) and Japan (547). It was 11 per cent higher than the average of OECD countries.

The difference between the highest and lowest outcomes in problem solving in the ACT was lower than for the other domains tested. The ACT had the smallest range in outcomes between the 5th and 95th percentiles in Australia except for South Australia and Western Australia. Its range was less than the average range for Australia and the OECD.

Table 4: Summary of PISA 2003 Problem Solving Outcomes for States and Territories

State/Terr	Mean Score	Score Range 5 th -95 th percentile
ACT	552	293
WA	548	281
SA	540	275
NSW	532	306
QLD	526	297
VIC	519	296
TAS	517	296
NT	503	324
AUST	530	301
OECD	500	328
Korea	550	282
Finland	548	268
Japan	547	343

Note: The range of scores for the states and territories is approximate. They were estimated from Thomson, Cresswell and De Bortoli 2004, Figure 5.5, p.138.

Outcomes by Socio-economic background

School outcomes for students from low socio-economic families in the ACT are significantly below those for all students and, by implication, well below those of students from high socio-economic families.

In the ACT, 49 per cent of students from low socio-economic families were below the OECD mean in reading compared to 29 per cent of all students. In mathematics, the respective percentages were 42 and 31 per cent while for science they were 50 and 28 per cent.

Table B1: Proportion of 15 year old students achieving below the OECD mean, 2000 (%)

Students	Reading		Mathematics		Science	
	Aust	ACT	Aust	ACT	Aust	ACT
All students	38	29	35	31	38	28
Low SES students	54	49	52	42	51	50
Disparity (%points)	16	20	17	11	13	22

Source: Report on Government Services 2007, Table

The significant differences between the proportion of students from low socio-economic families below the OECD mean and that for all students implies much larger differences between students from low and high socio-economic families. Nationally, the difference could be as high as 30 percentage points or more. In the ACT, it could even be 40 percentage points in reading and science.

The proportion of all students and students from low SES backgrounds that was below the OECD mean was smaller in the ACT than for Australia as a whole in each learning area. However, the degree of inequality in outcomes between students from low SES backgrounds and all students was larger in the ACT than for Australia in reading and scientific literacy.

The difference between the proportion of students from low socio-economic families below the OECD mean in reading and the proportion of all students below the mean was higher in the ACT than in any other state or territory. The difference for reading was 20 percentage points compared to an average for Australia of 16 percentage points. The difference for science was the second highest after the Northern Territory (22 percentage points in the ACT compared to 13 for Australia).

The inequality in outcomes for mathematical literacy in the ACT was the second lowest of all states and territories and smaller than for Australia (11 percentage points in the ACT compared to 17 for Australia).

References

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