

The Hon Julia Gillard MP

Minister for Education. Minister for Employment and Workplace Relations

Minister for Social Inclusion. Deputy Prime Minister

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Speech

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Thank you.

I want to acknowledge the traditional owners of the land on which we meet, the Yuggera People.

It's terrific to be associated once again with the Australian Council of Educational Research, without doubt one of the top sources of fresh thinking about Australia's education and training needs.

ACER has built its reputation on the quality of its data, which provides an authoritative guide to what's going on across the system.

This is important, because good evidence is the key to giving us the pre-schools, schools, training organisations and universities we need to in a world where knowledge and skills are crucial to economic success and social equity.

For over a decade, debates about knowledge and skills in Australia have been based on the opposite of evidence – prejudice. As a result:

- Public schools have been pitted against private,
- Parents against teachers,
- Apprenticeships against bachelor's degrees,
- And the humanities against the technical disciplines.

The Rudd Labor Government was elected with a mandate to end that approach, with a new emphasis on evidence-based reform.

This doesn't mean to say we lack philosophical beliefs when it comes to the education debate. Far from it.

In the broadest terms we believe that higher levels of knowledge, education and skills right across our population will lead to higher productivity, prosperity and social progress.

And it's a belief backed up by the evidence.

Figures from the most recent OECD Education at a Glance show a strong correlation between school completion and higher per capita GDP.

The current economic boom may be built on minerals but we believe the next one will be built on our knowledge and skills.

But only if we increase investment and ensure that investment is well directed.

We have no prejudices about which investments will get the better results we want.

That's where evidence becomes paramount.

ACER has been supplying that evidence for many decades – and in recent years has been making the case strongly for increased public and private investment in our human capital.

As you know, the Government was elected last year with a central pledge to create an Education Revolution by raising investment, lifting standards and insisting on rigour from the early years to PhD programs.

And the federal Budget delivered on those promises.

You will be aware of our major commitments which comprise an unprecedented \$19.3 billion in new investment to create an Education Revolution that aims to secure our economic future and create an inclusive society.

THE IMPORTANCE OF EDUCATION EQUITY

Today I want to drill down into one of the most important aspects of that agenda – building pathways to the world of work for our young people, particularly for those who, initially at least, will not go on to university.

This is the crucial intersection between education, employment, social inclusion and – because of the wide gaps in educational attainment between Indigenous and non-Indigenous Australians – reconciliation as well.

As the need for higher-level skills increases in line with technological development, the cost to individuals of failing at school is going to increase.

In such an economic environment, educational exclusion means social exclusion.

This fact underlines a key point about our whole approach to social inclusion. The Rudd Government's social inclusion policies are not just about ameliorative community-building programs; they're about economically empowering individuals and communities by giving them a stake in our prosperity. Education is the key.

It's true that Australia ranks highly in terms of test results. But we can and should do better. And worryingly there is evidence of slippage in our performance at a time when we know standing still is equal to falling behind.

Given the relative health of our economy and labour market, we should be doing much better when it comes to youth transitions.

- Australia currently ranks 23rd out of 35 OECD countries for finishing Year-12 or a Certificate III qualification.
- Our teenage unemployment rates are now 10 times the rate of Denmark's.

Our performance is being held back by what ACER, the Dusseldorp Skills Forum and others have called our 'long tail' of educational under-achievement.

And the evidence suggests that underperformance is strongly related to social disadvantage.

The English researcher, Leon Feinstein, has found, for instance, that less able richer children overtake more able poorer children by the age of six. That's right – by age 6, many poorer children are already battling the odds and getting an unfair deal.

And we know that Indigenous Australians – who are often among the poorest of our citizens – are well behind the rest of the community in literacy, numeracy and other education outcomes.

The good news is that socio-economically-linked educational inequality can be overcome.

IMPROVING SCHOOL EQUITY

Many of you will be familiar with last year's McKinsey study of world school systems. One of the key findings of which was that the best education systems leave no-one behind. Failure is recognised and addressed.

We need a similar psychology towards underperformance in our own education and training systems.

In other words, we must refuse to accept that low-socio-economic status makes it OK for poorer children to fail school.

The answer isn't simple.

As I've recently said in relation to schools, while higher levels of investment in struggling schools and low-socio-economic school communities will help, that's not the whole answer.

A whole suite of answers is required, most importantly:

- Investing in early learning;
- Accelerated literacy and numeracy programs;
- Attracting high-achieving graduates to teaching;
- Rewarding quality teaching;

And arming teachers with improved national curriculum, more effective classroom instruction methods, better facilities and good school leadership.

And we need to have a greater understanding of what is happening now in our schools

For a long time, ACER has published pieces from educational researchers decrying the lack of transparency about funding systems and about who attends and what happens in Australian schools.

I know you have concluded that politicians lack the will to put a spotlight on this vital information.

Can I assure you, the Rudd Labor Government does not lack the political courage.

The Rudd Labor Government believes that there should be nationally available data school by school showing the socio economic status of all students and the numbers of Indigenous children, children with disabilities and children from non-English speaking backgrounds especially recently arrived migrant backgrounds and refugee children.

This should be supplemented by data from the Australian Early Development Index, which captures information about the physical and emotional development of children.

There may be other factors and measures that also matter. The aim should be to robustly ascertain what mix of capacities and needs children are bringing to their school.

We need this information in order to understand what schools, in turn, should offer to these students, and how Governments and communities working together can support schools to do so.

As a nation, we should then be tracking attainment, knowing that we are in the powerful position of comparing like schools with like schools. If two schools have comparable school populations but widely varying results we would be able to ask the question why and ascertain the answer.

We should be able to identify best practice and innovation, and work systematically to ensure that they are spread more widely. We should be able to especially assist those that schools that need it.

Specifically we should be identifying excellent teaching and excellent school leadership.

We must expect high standards for every child.

'Dumbing down' is unacceptable.

I've copped some criticism in recent weeks for saying these things, but let me make this point: the evidence is clear that the best way to help a child from a disadvantaged background is to improve the quality of what's going on in his or her classroom.

And I'm absolutely determined that every Australian child benefits from better teaching in better schools.

I know this conference will be hearing new ideas about how to make school more relevant and stimulating for young people – and I'm open to good reform ideas you can suggest.

THE IMPORTANCE OF SCHOOL-TO-WORK TRANSITIONS

School reform, though, is just one part of a much wider project – which is to create individual pathways to the world of work for every young Australian in the contemporary economy.

The teenage years, as we know, are a crucial transition point in people's lives.

Getting the transition right is important, because failure not only blights individual lives, but leads to huge costs in lost economic opportunities and higher levels of remedial public spending.

Generally most young Australians are making good transitions to the world of work.

But 10 to 20 percent are not.

And of those, around 3 to 6 percent are making a poor transition. This group especially is the one we must focus particular attention on to raise successful school-to-work transition rates.

According to last year's Crunch Time report by the Dusseldorp Skills Forum, around half a million Australians between the ages of 15 and 24 are neither in full-time work nor full-time education.

Every year they are joined by another 45,000 to 50,000 early school leavers who should be on the path to becoming skilled tradespeople, para-professionals and professionals but are ending up drifting

through casual jobs, often unable to attract a partner or have a supportive network of friends. Certainly, these young people will not be in a position to buy a home.

We know that this work and personal insecurity contributes to homelessness, substance abuse and other tragedies for the individuals involved.

Our society is the loser.

The imperative for getting this right is moral and economic.

It has been estimated that the failure of young people to make a smooth transition to the world of work is costing our economy some \$1.3 billion per year.

And the cost of failure is only going to increase.

In the modern economy we simply can't afford to have around one-in-five young people not contributing.

Fewer skilled workers as a proportion of an ageing population in a knowledge and skill-intensive economy will mean declining national productivity.

The benefits from success, however, will be substantial.

Access Economics has estimated that increasing the proportion of young people completing school or an apprenticeship to 90 percent would boost annual GDP by 1.1 percent by 2040 – \$9.2 billion or \$500 for every household in the country.

To get this same level of additional prosperity we would have to increase migration by 180,000 or workforce participation of older workers by 6.6 percent, which are huge challenges.

This makes improving school-to-work transition an important element of economic reform.

In my view, we have to start from the position that it is simply unacceptable for teenagers not to have the life and work skills necessary for getting and holding a job. 'Dropping out' or being left behind can't be an option.

So what's the answer?

Ultimately, it's to keep more young people engaged in education and training to enable them to gain a post-compulsory qualification.

Today, there are 5 million working age Australians without a qualification at the certificate III level or above.

Some critics – such as the Centre for Independent Studies' Peter Saunders – have argued that education and training rarely helps people on welfare find jobs – and that all we have to do is lower the minimum wage. They're wrong.

We know that at age 24, only 68 percent of early school leavers are in employment or higher education and training – compared to 90 percent of those with Year-12 or its equivalent. And this higher level of unemployment for those without year-12 or its equivalent continues throughout life.

This is why through COAG we've adopted the goal of 90 percent Year-12 attainment by 2020.

NEW POLICIES TO MAKE A DIFFERENCE

The starting point to improving transitions is coming to grips with the patterns of change in the economy and pinpointing where the new jobs are emerging.

To guide us through this we've established a new body, Skills Australia, and reinvigorated existing Industry Skills Councils.

And to help us meet the demand they identify for non-professional skills, we're significantly increasing the nation's trade training effort, including:

- \$2.5 billion to establish Trade Training Centres in our secondary schools, with facilities that meet industry standards in both traditional and emerging industries; and,
- 630,000 new training places, including 85,000 new apprenticeships, with the majority at the crucial Certificate III and higher levels.

Creating pathways to these training places and the professions begins with giving every young person a firm foundation of key learning skills – like literacy and numeracy and ICT use – and a broad knowledge base across key academic discipline – from maths and science to literature, history and geography.

But to make the transition to post-compulsory education and the world of work students also need direction, motivation and skills.

For that reason, we've supporting a range of initiatives including:

\$5million over 4 years to encourage mentors for students

\$84 million to enable interested secondary school students participating in vocational education and training to access one day a week of on-the-job training for 20 weeks a year; and

'job ready certificate' for these students to ensure their training includes a range of employability skills that will enable them to move into the workforce

Providing these additional programs will go some way to making a difference but we also recognise the need to build capacity in the careers advice sector.

Over time we expect these measures to help lower school drop-out rates.

CONCLUSION

Today a number of simultaneous facts – like severe skill shortages, our ageing population and the growth in importance of higher-level skills and knowledge-based work – means that the days of turning a blind eye to failure at the bottom is over.

The Rudd Government is determined to do something about it.

We're investing in early learning, improving teaching in our schools, raising standards overall and helping young people make the transition to adulthood by helping them find a pathway to post-compulsory education and employment.

It's a big project.

One that requires long-term capacity building in numerous areas.

One that requires significant national cooperation through COAG.

And one that is transforming the very way federal, state and territory governments fund and deliver educational services.

Evidence is going to play a big part in getting this project right – and we'll be welcoming the input of all Australia's excellent educational research bodies – including ACER.

Thank you.

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