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Address to the New Agenda for Prosperity Conference

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## **Address to the Economic and Social Outlook Conference 2008**

### ***'New Agenda for Prosperity'***

Firstly, thank you to News Limited and *The Australian* newspaper for the opportunity to address this discussion on a new agenda for prosperity and our social and economic outlook.

There can be no better way to drive and improve a nation's prosperity and social and economic wellbeing than through its education system and it will be this, and teacher quality that I will be focusing on today.

Everyone remembers their inspirational teachers. The teacher who might not have been the most liked at the time, but who was passionate, dedicated, intelligent and took a real interest in their students and wanted them to do their best.

In Australia, we are fortunate to have many outstanding and dedicated teachers.

It has meant we have many successful schools and by international standards, a better than good education system.

But given our governments invest billions of dollars of public funds into our education system each year, Australians deserve a system that is better than good.

We can do better.

And given we live in a globalised, competitive world economy, we must do better.

If we want to improve our standard of living, our productivity and our society then it is crucial that we confront many of the key challenges currently facing our education system.

These include:

### **1) Our long tail of students failing when it comes to literacy and numeracy.**

Since national benchmarking of literacy and numeracy began 10 years ago it has become clear that too many of our students failing to make the grade, and that over time, results have flatlined.

What's even more alarming is that students' literacy and numeracy results actually worsen as they progress through the school system<sup>1</sup>.

### **2) We have a substandard and constantly changing, over-crowded curriculum.**

There are currently eight separate education departments providing a curriculum that is inconsistent across the nation and often the product of the latest educational fad or trendy movement.

### **3) A looming crisis in our teaching profession.**

At the moment we are failing to attract enough quality graduates into teaching and struggling to retain our best teachers.

All of these problems are inextricably linked. Without the top performing teachers, teaching the best quality curriculum we have lower standards, get poorer student outcomes and have fewer top performing teachers being attracted into classrooms in the first place.

It is a downward spiral that feeds on itself and gathers speed over time.

These are all problems which won't simply be solved by putting a computer on a desk.

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<sup>1</sup> National Report on Schooling in Australia, Preliminary Paper 'National Benchmark Results, Reading Writing and Numeracy, 3, 5 and 7', 2006.

As such, the Federal Coalition strongly believes that it is reform – particularly teacher reform that is required.

As welcome as new computers might be – they won't create better teachers.

Upgrading a kitchen in a restaurant will help a quality chef produce better meals – but it won't make much difference if it's me cooking in Donna Hay's kitchen.

We need our smartest people teaching in our classrooms and if we can achieve this, better literacy and numeracy results will follow.

We know this because, after parents, it is teachers who have the greatest impact on the educational outcomes of a child.

The quality of a school system rests on the quality of its teachers and the evidence of this is both anecdotal and statistical.

For example, a study from the Australian National University found that a teacher who rates in the 90<sup>th</sup> percentile of performance can achieve in six months what it takes a teacher who achieves in the 10<sup>th</sup> percentile to achieve in a full year<sup>2</sup>.

Similarly, a study in the United States showed that if two average eight-year-olds were given different teachers – one a high performer and the other a low performer, their performance could diverge by up to 50 per cent in just three years<sup>3</sup>.

In an Australian context, Ken Rowe, in a paper presented to the Australian Council for Education Research, found that it was teaching quality and learning provision that had the

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<sup>2</sup> 'Incentives will bring top teachers', Noel Pearson, Weekend Australian, 19 Jan 2008.

<sup>3</sup> 'How the world's best performing school systems come out on top,' McKinsey & Company, p. 11.

most salient influence on a student's cognitive, affective and behavioural outcomes, regardless of their gender or background<sup>4</sup>.

Quite simply, it is quality teaching that matters the most.

So while a digital upgrade will be welcome, a genuine education revolution would involve lifting standards in schools by reforming our teaching profession.

This is not something that the Federal Coalition has discovered overnight either – it was a cause championed by my predecessors.

Too often the debates advanced were automatically opposed by the very groups who wished to protect the status quo – the teachers unions and state governments.

Calling for this type of reform is not intended to be an exercise in teacher bashing or political point scoring for its own sake. Given my father was a teacher of more than 30 years and my sister was also a teacher, I would fear my next family Christmas too much to merely engage in that.

However, if we are to advance our education system and hold the state and federal governments to account for the billions of dollars invested, it will mean facing facts and making decisions that state Labor governments and education unions may not like, but need to embrace.

While we currently have thousands of dedicated and high quality teachers, performing incredibly challenging roles to get great outcomes, we don't have enough in Australia.

Unlike the top performing education systems in the world, Australia is recruiting its teachers from the bottom third of graduates from our school system, rather than the top.

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<sup>4</sup> 'The importance of teacher quality as a key determinant of students' experiences and outcomes of schooling', Ken Rowe, Background Paper to Keynote Address presented to ACER Research Conference 2003.

Quite simply, we are not getting enough our best and brightest into teaching.

Added to this is the problem of not being able to retain the teachers we manage to attract there in the first place.

It is not worth dancing around the fact that the university ENTER score for a teaching course has declined steadily.

To the detriment of our school system, you can now get into a teaching course with an entrance score as low as 56 in Victoria, making it one of the lowest ranked university degrees on offer<sup>5</sup>.

This, in turn, creates a vicious cycle, illustrated in the story a recently retired English teacher from my electorate told me about being employed part time by a school in Melbourne – not to tutor the students, but to correct the school reports of the teachers before they were sent home to parents.

Top performing school systems from around the world consistently attract more able people into the teaching profession, leading to better student results and outcomes.

Unfortunately in Australia, we are getting too many students into teaching degrees who choose it simply because they can't get into anything else.

And added to this, we also have the problems of retaining the teachers we do attract and coping with an ageing workforce.

In six years time - the time it will take this year's grade preps to reach grade six – around 30 - 40 per cent of teachers will have retired<sup>6</sup>.

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<sup>5</sup> VTAC Course index 2008, [http://www.vtac.edu.au/pdf/publications/course\\_index.pdf](http://www.vtac.edu.au/pdf/publications/course_index.pdf)

<sup>6</sup> 'Teacher + retirement = crisis', Daily Telegraph, 14 February 2008, p. 9

On top of this however, data from the Australian Council for Education Research tells us that around 68 per cent of early career primary teachers are unsure how long they will stay in the profession because of a) dissatisfaction with teaching and/or b) better career opportunities outside of the classroom<sup>7</sup>.

None of this however, is the fault of the teachers. Nor is it any particular government of either persuasion or level. It is a problem that has arisen over many, many years and many governments. There is enough blame to share around.

The reasons for this situation are both complex and varied and have been the subject of much debate. They include:

- Inadequate preparation and training for life in the classroom.
- Difficulties with classroom control.
- Problems dealing with an overcrowded curriculum.
- A reduced status of the teaching profession, and
- Remuneration.

While all of these issues play their role and their solutions are complementary to one another, it is the last two – a reduced status of the teaching profession – and teacher pay that I wish to pay special attention to.

The solutions required will need across the board reform in the years ahead involving our universities, our schools and both levels of government.

It is crucial that we begin implementing new initiatives to not only keep our best teachers in the classroom, but attract our best students there as well.

So how do we do this?

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<sup>7</sup> 'Staff in Australia's schools survey 2007', ACER Report for DEEWR, 16 January 2008, p. 18

Firstly, we need better pay and better respect for the teaching profession.

While some countries, particularly the Asians and Scandinavians have a culturally high regard for the teaching profession, other countries, including parts of the US and the UK have managed to transform the status of their teaching profession with strategic policy interventions<sup>8</sup>.

In around five years, England for example, has managed to turn teaching from a lowly regarded profession to one of the most popular professions among undergraduates and graduates.

In Australia, it is my view that we need a combination of both policy intervention and an increase in the amount we pay our best performing teachers.

While I am aware some recent studies show that teacher pay is not always the best method of attracting the best teachers – I do not think these necessarily correlate with the Australian way of life in 2008.

We are an aspirational country which values working hard with being duly rewarded.

At the moment this isn't the case. While a graduate's starting salary is quite good it plateaus quickly. A teacher starting in their early 20s can reach their maximum salary level by the time they're in their 30s.

We seem to have forgotten that our teachers, having worked hard to complete a degree, also have aspirations to own a home, support a family and get ahead in life.

It is simply not feasible to think that we will attract the best students to the profession and expect them to teach in challenging and remote locations if we don't pay them more.

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<sup>8</sup> 'How the world's best performing school systems come out on top,' McKinsey & Company, p. 11.

And we cannot think about raising standards in our schools if we think that teachers don't deserve incentives and rewards for better performance.

We need better pay to be matched with higher standards. We have to move on from low mid-career salaries and the low salary caps imposed on the profession, which are a recipe to simply better reward mediocrity.

Like any other profession in the world – teachers should be rewarded and recognised on merit.

Teachers need greater options for consistency in professional development and they must be provided with access to higher salaries to reward excellence, better incentives and improved professional flexibility.

For instance, one possible way of doing this could be to start paying the best teachers and those who have completed a higher standard of teacher training more.

This would, over time, build a higher quality workforce. But were this to occur, it should not necessarily result in a two-tiered system of new teachers and existing teachers.

Instead, existing teachers could have the opportunity to be tested at higher standards and, if required, complete the necessary academic courses, further training or intensive night, weekend or summer schools to access higher qualifications and higher pay.

Rather than all the talking, a pilot study to determine the best model to implement performance based pay and a new series of additional and higher pay scales should be undertaken as a matter of urgency.

I for one would be happy to see the best and brightest and highest performing teachers and principals rewarded with salaries of \$100,000 - or more.

Not for every teacher, but for the best teachers.

It might also be time to look at the value of ploughing so many resources into reducing class sizes alone as a way to achieve better educational outcomes.

As a recent McKinsey's report into the best performing school systems found, class size reduction has had little or no impact on student outcomes<sup>9</sup>.

Instead it might be time to could look at channelling the funding in paying for more teachers into paying existing teachers more.

Secondly, we need to be flexible in the way we keep our teachers and recruit them in the first place.

We all know that few young people would consider staying in the same career for the next 40 years, but we don't think that way when it comes to teaching.

As such, we need a flexible system that accommodates this.

We need to look past just drawing our teachers straight from university, accept that some teachers will leave the classroom and recognise qualifications and experience for those who wish to make a career change into teaching.

This isn't the case at the moment.

Take the case of Elizabeth Stone whose story was recently highlighted in *The Australian*. A Rhodes Scholar with a Masters in Law from Oxford University and a lucrative career in corporate law, she decided to become a maths teacher<sup>10</sup>.

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<sup>9</sup> 'How the world's best performing school systems come out on top,' McKinsey & Company, p. 11.

<sup>10</sup> 'Private sector grabs Rhodes scholar the state system rejected', *The Australian*, 7 February 2008, p. 5

But after being shrugged off by the state school system, which told her to complete a one-year Diploma of Education, she was welcomed with open arms by the private school system which allowed her to study part-time while teaching, paid half her HECS costs and put her on a higher salary in recognition of her skills and experience.

With better pay and recognition for skills and experience, other professionals should find it easier and more viable to consider teaching as a career later in life.

This would then provide a new source of quality teachers with different life experiences and qualifications outside the classroom that would add to the quality of the profession.

We would also have to offer more realistic options for them to achieve their qualifications.

Not many engineers, scientists or lawyers will take a whole year off work without pay to do a diploma of education, then start on a salary of just under \$50,000.

They should be able to complete intensive, fast-tracked highly practical summer schools or night schools part time so they don't have to lose a whole year without pay.

It is also imperative that we lift the status of the teaching profession.

We need the students who have just finished at the top of their HSC or VCE to consider a life in the classroom just as they would a future at the Bar, in an investment bank or in a GP surgery.

In the UK, through Tony Blair's 'education revolution' there was considerable focus on improving the quality of teachers and part of this was achieved through the innovative *Teach First* programme.

Based on America's *Teach for America* initiative, the partnership of business and government used marketing and recruitment techniques to select the top performing graduates to teach in England's most challenging schools<sup>11</sup>.

In its first year, 1000 applicants from the top universities applied for 200 places and demand for a spot has been growing ever since.

There is no reason why a similar programme to this couldn't work in Australia and I understand Noel Pearson's Cape York Institute is currently developing something similar which would pay experienced teachers and the brightest graduates a \$50,000-a-year tax free bonus to teach in remote Indigenous disadvantaged communities.

If this model is successful there is no reason why it shouldn't be extended to remote or disadvantaged communities as well.

With higher pay, performance incentives and increased demand for higher performing graduates, it would then be possible to lift the entrance scores for teaching degrees and subject prospective teachers to a more rigorous process of interviews and tests.

After all, a bad selection decision can result in up to 40 years of poor teaching.

We must also pursue policies and pathways to remove our poorly performing teachers from the classroom.

This could be achieved by allowing for greater principal autonomy in hiring and firing and management of staff.

In many cases, centralised staffing arrangements mean the poor performing teachers either get stuck or are simply shuffled through the system.

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<sup>11</sup> Teach First website, [www.teachfirst.org.uk](http://www.teachfirst.org.uk)

Giving principals more autonomy will shift the focus more onto what is best for the individual school rather than what is convenient for the union or easy for the bureaucracy.

The range of potential reforms I have advanced today are some of what we will be exploring and considering going forward. They will be the subject of detailed consideration in the Federal Coalition's policy development process over the coming months as well as broad consultation before policy determinations are made and commitments are finalised for the next election.

To implement bold reforms we need to acknowledge the problems, change our country's mindset and reallocate resources to bring about change.

While our federal structure has many strengths, one of them isn't speed and that's why bold policy reform and implementation can often take longer than it does in say the UK or New Zealand.

But this is not to say we should ignore reform.

We know the old way in the modern workforce simply cannot survive and nor can the status quo because the cost of failure for Australia is simply too high.

Eventually, as we know from the economic reforms of the 1980s and 90s the requirement for reform simply becomes unavoidable.

And in Australia the time to debate the wave of reform in our teaching profession and consequently our education system to advance our future prosperity, is now.