Australian Government

Productivity Commission

Schools Workforce

The Issues Paper

The Commission has released this issues paper to assist individuals and organisations to prepare submissions to the study. It outlines:

- the scope of the study

- matters about which the Commission is seeking comment and information

- how to make a submission.

Those making submissions are not restricted to commenting only on matters raised in the issues paper. The Commission wishes to receive input on any issues that are relevant to the study's terms of reference.

Key dates

Receipt of terms of reference	22 April 2010
Consultations	May–June 2011
Due date for submissions	19 August 2011
Release of draft report	November 2011
Final report to Government	22 April 2012

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The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244 or email: maps@pc.gov.au

Contents

1   What is the study about?

Access to quality education is fundamental to both Australia's economic performance and its social wellbeing. Underpinning development of the country's 'human capital' is the education and training system and its workforce.

The Australian Government — pursuant to a request from the Council of Australian Governments (COAG) — has asked the Commission to advise on various aspects of the education and training workforce. The Commission has already completed a study on the Vocational Education and Training (VET) workforce, and is separately undertaking an Early Childhood Development (ECD) workforce study (box 1). This third study, to be completed by April 2012, explores the workforce for Australia's schools.

In essence, the Commission is required to report on:

- factors affecting the supply of, and demand for, school workers
- whether the knowledge and skills base of the workforce, and its deployment within and across schools and regions, are appropriate to meet the community's needs
- whether policy, governance and regulatory arrangements (in place or in prospect) are conducive to maximising the efficiency and effectiveness of the schools workforce and, if not, what changes may be required.

The full terms of reference for the study are provided in attachment A.

The Commission's approach

In examining the schools workforce, the Commission will:

- consider the economic and social impacts of current and proposed workforce arrangements on student outcomes and on all other affected stakeholders

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Box 1   The other education and training workforce studies

The Commission completed its assessment of the **VET sector** workforce in April 2011. Its final report is now publicly available.

The Commission's study into the **ECD sector** is still in progress. An issues paper for this project was released in November 2010 and a draft report is expected to be released for public consultation in June 2011.

Publications, announcements and other material relating to these studies can be found online at: http://www.pc.gov.au/projects/study/education-workforce/ .

- take account of both the benefits and costs of potential reforms in order to identify the most cost-effective improvements

- recognise the similarities and differences between various government and non-government schools (both systemic and independent) and the implications for future workforce arrangements

- look not only at system-wide outcomes, but also at workforce issues of significance to particular groups — for example, Indigenous Australians, rural and remote communities, 'special needs' students and their families, and non-native English speakers

- draw on both quantitative and qualitative evidence to support its analysis

- seek to add value to the current workforce reform initiatives (both under and outside the auspices of COAG) through an independent examination of how these might be usefully augmented or modified.

In undertaking its assessments the Commission will also be mindful of wider influences on the effectiveness of the schools sector and its workforce. However, the Commission emphasises that this is not an inquiry into school education as a whole. (For example, funding-specific matters are currently being studied by the Review of Funding for Schooling, chaired by David Gonski.)

This is a public process

The Commission is seeking feedback from a wide and representative range of stakeholders. It has already commenced an informal consultation process and is inviting submissions from organisations and individuals with an interest in the schools workforce. (Attachment B outlines how you can make a submission.) Some particular areas where the Commission would appreciate input are highlighted in the subsequent sections of this issues paper.

The Commission is seeking initial submissions by 19 August 2011. Wherever possible, submissions should be supported by evidence. This can include data on the whole sector or specific groups within it, descriptive material on observable trends and practices, or even relevant anecdotal examples.

Drawing on the input it receives, and on its own analysis, the Commission will produce a draft report by November 2011. This will detail the Commission's preliminary conclusions, and will provide a further opportunity for participants to express their views before a final report is submitted to government by 22 April 2012. (An indicative timeline for the study is outlined inside the cover of this issues paper.)

2   About the sector

Schools in Australia

Broadly, the schools sector includes all the schools involved in the provision of primary and secondary education. Primary and secondary schools can be further defined as either 'government' or 'non-government', with the latter including both Catholic systemic and independent schools (table 1). The share of total student enrolments in non-government schools (currently about 34 per cent) has been rising, with this trend expected to continue over the next decade.

Table 1   **Number of Australian schools, 2009**

	Government	*Non-government*	*Total*
Primary	4 930	1 484	6 414
Secondary	1 040	399	1 439
Combined[a]	497	764	1 261
Special[b]	335	80	415
Total	**6 802**	**2 727**	**9 529**

a Combined schools offer education services from the pre-primary to upper-secondary levels. **b** Special schools provide education services for students with learning difficulties.

Source: ABS (2010), *Schools Australia*, Cat. no. 4221.0.

Over time the boundaries between the schools sector and other parts of the education and training system have become increasingly blurred. (For example, some VET activity now occurs within secondary schools.) While the VET and early childhood workforces have been or are being separately examined (see box 1), the Commission is interested in any aspects of this interface that affect the efficiency and effectiveness of the schools workforce.

The schools workforce

The schools workforce, broadly defined, encompasses principals, teachers, teaching assistants and other support staff (such as school librarians), administrative staff (including reception, office and IT staff), relevant health professionals (such as school nurses and student counsellors), and maintenance and canteen staff. These individuals may be employed on a full-time or part-time; permanent, casual or contract basis. Also, a significant number of volunteers (predominantly parents) assist with the running of school councils/boards and with some school services.

All of these groups play important roles in the provision of education to children in Australian schools. However, in keeping with the emphasis in the terms of

reference, this study will be mainly focused on those who support the practice of teaching, especially teachers, principals and other managers, and teaching assistants.

In 2010 there were over 250 000 full-time equivalent (FTE) teaching staff employed in Australia, of which about 65 per cent were employed in government schools (table 2).

Table 2   **Employment of teaching staff (FTE) by sector and school category, 2010[a]**

|	*Primary*	*Secondary*	*Total*
Government	90 155	73 543	163 698
Non-government	37 735	49 989	87 724
Catholic	*22 212*	*25 179*	*47 391*
Independent	*15 523*	*24 810*	*40 333*
Total	**127 890**	**123 532**	**251 422**

a The ABS defines teaching staff to include teachers, principals, deputy principals and senior teachers mainly involved in administrative duties. The number of teaching assistants is reported under a separate measure that includes administrative and clerical staff. This measure totalled 78 000 across all schools in 2009.

Source: ABS (2010), *Schools Australia*, Cat. no. 4221.0.

Some salient features and trends within the teaching workforce include the:

- *incidence of under and oversupply*. While there are persistent teacher shortages in particular areas — including secondary maths and science subjects, and at special needs, rural, remote and disadvantaged schools — for some positions, such as in primary teaching, there are a large number of teachers on waiting lists.

- *rising age profile*. A substantial part of the teaching workforce is approaching retirement age. The superannuation schemes in some jurisdictions that have provisions favourable to early retirement may compound the implications of this for future workforce supply.

- *increasing portion of teaching staff positions filled by women*. This trend, which is particularly pronounced in primary schools (figure 1), is despite the expansion in other career opportunities available to women.

- *shift in employment to the non-government sector*. Partly due to greater growth in enrolment rates in non-government schools, a higher portion of the schools workforce is now employed in the private sector, with this share expected to further increase in the future.

- *significantly unionised workforce*. Although the level of union membership varies widely across individual parts of the education system, an estimate based

Figure 1   **Female–male teaching staff ratio, 1973–2010**
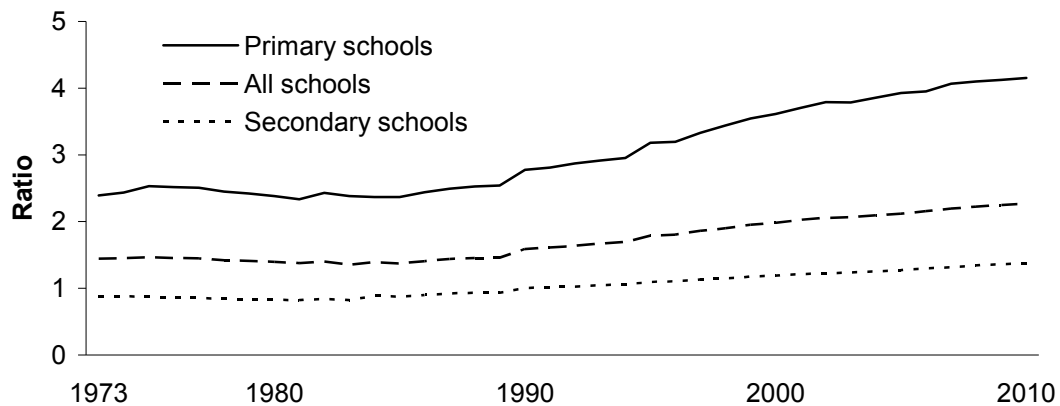
Sources: Compiled by Productivity Commission using various ABS, *Schools Australia*, Cat. no. 4221.0.

on ABS data that includes the pre-schooling sector suggests that over 50 per cent of all school workers are members of a union. This compares to about 20 per cent across the economy as a whole (ABS 2010).

- *high number of qualified teachers not currently employed in schools*. As well as qualified teachers who are registered with the State education authorities to fulfil contract or casual work, nearly 25 per cent of qualified teachers work in other professions (ABS 2006).

- *declining remuneration relative to many other professions*. This may have contributed to a reduction in the average entrance scores for teacher training courses.

- *relatively flat pay scales*. Teachers usually reach the top of their pay scales within 8 or 9 years in most jurisdictions. Following this, individuals seeking additional remuneration need to take on non-classroom responsibilities.

- *relatively uniform staffing mixes*. Established practices and awards have meant that government schools especially have limited scope to adjust the mix of teachers and other school workers irrespective of their particular circumstances.

- *shifting community expectations of the teaching workforce*. Greater diversity in students' languages and backgrounds, more students from disadvantaged families, a claimed increase in inappropriate classroom behaviour, less regimented teaching protocols with greater personal interaction, and the 'mainstreaming' of many special needs students are just some of the factors relevant here.

Q *What other features of the current schools workforce and its changing context are important from a policy perspective?*

3 Why is the performance of the schools workforce important?

A range of empirical work points to the economic benefits from a better educated community. (Previous Commission research, for example, includes Laplagne, Glover and Shomos 2007; Forbes, Barker and Turner 2010; and Shomos 2010.) An increase in human capital commonly translates to a more productive workforce. And with more skills, the average worker can expect a wider mix of job opportunities and potentially higher wages, encouraging greater labour force participation. As such, education can also be one avenue for countering the effects of Australia's ageing population on future labour supply.

Furthermore, education is an important tool for promoting social inclusion. Australians with less access to education and training may be excluded from opportunities to engage with their communities in a full and rewarding manner. The education system can also play a key role in overcoming prejudice, and can be personally enriching in a number of ways for many students. While quantifying these effects can be less straightforward, they are no less vital in improving community wellbeing and increasing standards of living.

On the whole, adequate availability of quality teachers is required to achieve good outcomes in the schools sector and the wider community.

Student outcomes

In many respects, Australia's schools — and the workforce so intrinsic to their performance — are delivering good outcomes. For example, global rankings in the three-yearly Programme for International Student Assessment (PISA, the latest of which draws on 2009 data) reveal Australia's student performance is higher than the OECD average in reading, mathematics and science (tables 3 and 4). Moreover, such results have been achieved with per capita spending on education that is around the OECD average (OECD 2010a).

Even so, there are indications of some scope for improvement.

- Viewed broadly, Australia's standing in international assessments has fallen over time. (As one illustration of this, table 4 shows that the decline in Australia's PISA results for reading and mathematics has been larger over the last decade than for the OECD as a whole.) This is despite a steady *increase* in per capita spending on education.

Table 3　Top ten economies[a] in main subject disciplines, 2009

Rank	Reading	Mathematics[b]	Science
1	Shanghai (China)	Shanghai (China)	Shanghai (China)
2	South Korea	Singapore	Finland
3	Finland	Hong Kong (China)	Hong Kong (China)
4	Hong Kong (China)	South Korea	Singapore
5	Singapore	Taiwan	Japan
6	Canada	Finland	South Korea
7	New Zealand	Liechtenstein	New Zealand
8	Japan	Switzerland	Canada
9	Australia	Japan	Estonia
10	The Netherlands	Canada	Australia

a Of those economies participating in PISA, including non-OECD members. **b** For comparison, Australia was ranked 15th.

Source: OECD 2010b.

Table 4　Australia's PISA performance, 2000–2009
Mean scores on PISA tests, compared with the OECD average

	Survey year			
Discipline	*2000*	*2003*	*2006*	*2009*
Reading	528	525	513	515
OECD average	*500*	*494*	*492*	*493*
Mathematics	533	524	520	514
OECD average	*500*	*500*	*498*	*496*
Science	528	525	527	527
OECD average	*500*	*500*	*500*	*501*

Sources: OECD 2001, 2004, 2007 and 2010b.

- The headline results reported for Australia also mask considerable variation in outcomes across the population, with a distribution of results between the lowest and highest achieving students greater than the OECD average. Differences between outcomes are seemingly driven by individual factors such as gender, as well as parents' education and income (Thomson et al. 2011).

- Educational disadvantage is entrenched within specific segments of society. Students in rural and remote communities, and especially Indigenous Australians, record substantially lower average literacy and numeracy results.

Such outcomes, and the resulting difficulties for students in managing the transition from school to work or further education, suggest that there are unrealised gains for policymakers to pursue. A particular issue for this study will be to identify the extent to which poor student outcomes and educational disadvantage among young

Australians could reasonably be reduced, and the role to be played in this by the schools workforce.

Q *What does the available evidence indicate about Australia's education outcomes? How policy relevant are comparisons of literacy and numeracy over time and across countries?*

Q *Which avenues for reform are most promising for reducing educational disadvantage and improving education outcomes more generally? How important are workforce-related changes relative to other initiatives directed at enhancing children's learning potential?*

Workforce issues

Australia's positive overall educational performance is reflective of the skills and efforts of its educational professionals. But just as there are concerns about aspects of student outcomes, so too are there concerns about features of the schools workforce. Some matters that have been raised in this regard include:

- imbalances in the supply of school workers relative to demand, and how the workforce is distributed within and across schools

- declining tertiary entrance scores for teacher training courses, and concerns about the standards of teachers entering the teaching profession

- shortcomings in pre-service training, performance appraisal and ongoing professional development

- a model of teaching that has changed comparatively little over time despite a changing context and continually evolving demands

- inadequate attention to the role of school leadership and governance

- inflexibility in the regulatory and institutional settings associated with the schools workforce.

Such matters have, to different degrees, been cited as reasons for various recent initiatives and policy reforms in the education sector (see below). They are also canvassed further in section 5 of this issues paper.

Q *What are the strengths and weaknesses of current workforce arrangements? What are the priority areas for policy attention?*

Q *Are major changes required to address shortcomings, or would gains be better achieved through fine-tuning of existing policy settings?*

4   Recent policy developments

The development of policies and reforms affecting the schools workforce has traditionally been the domain of the State and Territory Governments and non-government school operators.

Whilst these two groups of stakeholders remain heavily involved in workforce reform, the increasing attention by the Australian Government to human capital development has recently seen the education reform agenda become more nationally focused. In particular, a variety of reform initiatives at the State and Territory level have been brought under the COAG umbrella. Also, the recently created Australian Institute of Teaching and School Leadership (AITSL) has been directed by the Ministerial Council for Education, Early Childhood Development and Youth Affairs to implement a number of national reforms (see box 2).

Some of these initiatives could have a significant impact on the schools workforce and student outcomes. Hence, a natural starting point for the Commission's study is whether the current reform agenda is addressing the right issues and, if so, how this study might add value alongside it.

Box 2   COAG education reform agenda

The National Education Agreement (NEA), which outlines broad policy objectives agreed to by the Australian and State and Territory Governments, is the foundation for much of the COAG education reform agenda. Associated with the NEA are a number of National Partnership Agreements (NPAs) that provide the States and Territories with fixed funding and/or reward payments for achieving specific objectives. The NEA provides the States and Territories with the flexibility to allocate Commonwealth funding to areas that they believe will produce the best outcomes for students.

To achieve the objectives of the NPAs, the States and Territories, in consultation with non-government school representatives, have introduced school-based reforms and pilot programs in areas such as school autonomy, teacher career paths and performance pay. Moreover, AITSL has recently released the *National Professional Standards for Teachers*, and is implementing a number of other nationally focused reforms relating to professional standards for principals, pre-service course accreditation, and teacher performance evaluation.

In addition to the initiatives arising from specific NPAs, the current *Review of Funding for Schooling* is examining the allocation of funding from all governments to Australian schools, with the final report due to be released in late 2011. The Australian Curriculum, Assessment and Reporting Authority has been established to develop a national curriculum by 2013.

Q *Do the reforms, in train or in prospect, address the right issues?*

Q *What reform areas should be afforded the highest priorities?*

Q *Are there any significant gaps in the reform agenda, or reforms that are unlikely to be particularly beneficial?*

Q *Are the implementation/evaluation/review arrangements likely to be effective?*

Q *In the context of the current reform initiatives outlined above, where can the Commission's study into the schools workforce best add value?*

5 Further improvements in schools workforce outcomes

At this early stage of the study, the Commission has not come to any conclusions about the merits of particular reform approaches. However, based on its initial investigations and consultations, it is interested in input on the following issues (though these should not be taken as an exhaustive list of the matters that the Commission intends to examine during the course of this study).

Balancing supply and demand

As noted above, there does not appear to be a sector-wide shortage of teachers. Indeed, there appears to be a *surplus* of workers in some areas. Conversely, there are other parts of the sector — whether in terms of specific disciplines, locations or even personal attributes (such as gender) — where supply is insufficient to meet demand. The ageing of the workforce could exacerbate these pressures over time, with existing teachers working in areas of shortage not being readily replaced as they retire. Indeed, demographic and workforce participation trends may result in new shortages emerging in the future.

All labour markets may experience periodic imbalances between supply and demand. However, the apparent persistence of particular surpluses and shortages within the schools workforce suggest that there are impediments to maintaining a reasonable balance between supply and demand across the diverse range of needs within the sector.

Q *What are the key factors, whether across the board or specific to particular areas, that may contribute to current or future workforce shortages? Are all of these factors amenable to policy action?*

Q *What is contributing to the ongoing surplus of workers (who have teaching qualifications) in some disciplines and locations? Are such surpluses a cause for concern?*

Q *Are there weaknesses in specific recruitment and/or retention strategies that could be exacerbating imbalances in supply and demand? Are there any underlying problems in workforce planning strategies?*

Q *What lessons, if any, can be learned from other sectors of the economy in dealing with the staffing challenges in the schools sector?*

Job design and innovation

As mentioned, a variety of factors mean that the demands on teachers have changed over time. The mix of students has become more heterogeneous, with a broadening profile over several decades of language and cultural backgrounds represented in classrooms, and with the increased integration of special needs students. And there has been an increasing focus on the need to improve education outcomes for rural and remote communities, Indigenous Australians, and students from disadvantaged socioeconomic backgrounds. Moreover, the skill sets required of teachers have been transformed by technology — among other things, computers now play a substantially more prominent role in both lesson preparation and delivery. Teachers are also increasingly expected to interact effectively with parents, professionals in related areas of childhood development, and the wider community.

In many workforce environments, such forces would have precipitated significant changes in job design. Yet the role of teachers, and their interaction with other teachers and school workers, does not appear to have changed greatly. In particular, policy initiatives have tended to focus on matters such as reducing student–teacher ratios, rather than the roles of, and relationships between, different school workers.

Q *Are the roles of and relationships between different school workers appropriate to meet current and emerging needs? In what ways might changes in job design be useful?*

Q *Are there regulatory, institutional or cultural impediments to beneficial adjustments in job design and staffing mixes? To what extent do the national accreditation and registration requirements recognise changing professional demands for school workers?*

Q *Does the current design of teaching roles give sufficient recognition to issues such as extra-curricular activities, interaction with parents and the community, or to assisting students with the transition to further education or employment?*

Q *Would further decreases in student–teacher ratios significantly improve student outcomes? How should empirical research on the cost-effectiveness of class size reductions as a means to improve student outcomes be interpreted?*

Q *Is there appropriate sharing of Australian and international experiences regarding changes to the role and mix of teachers, leaders, para-professionals, and other school workers?*

Training and professional development

In seeking to improve the quality of teachers, a focus of recent reforms (in Australia and overseas) has been on improving both the quality and relevance of pre-service training for teachers, and the professional development they subsequently receive once in the workforce. Current Australian examples include:

- moves to supplement classroom training with a stronger practical component in both undergraduate and postgraduate courses
- a new emphasis on professional development as part of the National Professional Standards for Teachers.

There are also efforts to raise the quality of students entering teaching courses — such as the requirement, to take effect from 2013, that anyone applying to a teaching course should have levels of literacy and numeracy that are 'broadly equivalent to those of the top 30 per cent of the population' (AITSL 2011, p. 13). Likewise, alternative employment-based pathways such as Teach for Australia and Teach Next are being used to encourage (respectively) top university graduates in various fields, and experienced workers looking for a career change, to enter the teaching profession.

Q *What are the advantages and disadvantages of the traditional Diploma and Bachelor of Education entry pathways? Do postgraduate studies in education contribute significantly to teacher quality?*

Q *How effectively do pre-service training courses (and the national accreditation standards for such courses) meet the current and prospective needs of the education system and teachers? Do courses place sufficient emphasis on practicum?*

Q *To what extent are employment-based pathways a complement to standard teaching courses? Are such pathways likely to be of a niche nature, or might they have wider applicability in the future?*

Q   *Is sufficient attention paid to professional development — not only for classroom teachers, but also principals and other school workers? What specific changes, beyond those already in prospect, would be appropriate?*

Q   *Are adequate resources available to mentor new teachers? Is there a need for formalised system-wide mentoring structures, or should the processes for inducting new teachers be left to each school?*

Q   *What role do pre-service training providers play in directing aspiring teachers into areas of teacher shortage?*

Q   *At what point (or points) in time should the quality of aspiring teachers be assessed: before pre-service training, before practicum, before entering the workforce as new teachers, or elsewhere in the training and development cycle? What scope is there to increase standards for entering courses, placements or the profession without exacerbating current or future shortages?*

Remuneration and performance evaluation

As noted, there is limited variability in pay opportunities for teachers, with most reaching the top of their earning potential (at least from classroom work) within 8–9 years.

•   Although some pecuniary allowances are offered as an incentive for teachers to move to areas of geographic shortage (that is, in rural and remote schools), inducements to recruit or retain workers with qualifications to teach in subject disciplines where there are shortages are much rarer.

•   Nor are there currently formal arrangements to allow for variation in teacher pay directly related to student outcomes or other measures of performance.

That said, there have been some recent efforts to facilitate greater flexibility in remuneration. These include a greater degree of salary progression in those jurisdictions that have introduced such roles as 'lead' and 'highly accomplished' teachers, and pilot studies to test performance-based pay structures. In May 2011, the Australian Government also announced its intention to award bonuses to the top 10 per cent of teachers, starting from 2014 (Gillard, Swan and Garrett 2011).

There is considerable debate about linking teachers' pay outcomes to their performance — not only about the intrinsic merits of such an approach, but also about how 'performance' might be assessed.

Q   *How important are the level and structure of remuneration for recruitment and retention of teachers? What impact does the level of remuneration have on the*

capabilities of those entering the teaching profession? Should differentiated remuneration be used more widely to address imbalances in supply and demand?

Q *Are there non-remuneration conditions of employment that, if changed, would enhance teacher quality and student outcomes? Is there sufficient recognition of the work associated with the delivery of extra-curricular programs?*

Q *What makes a quality teacher? How should teacher performance be measured? To what extent can computable performance metrics indicate the 'value added' by a teacher?*

Q *If a well-designed performance-based pay scheme could be implemented, would it significantly enhance teacher quality and student outcomes? What risks and costs are associated with performance-based pay?*

Q *Separate from whether financial rewards should be attached, are there ways to enhance performance appraisal processes for school workers?*

School leadership

There is considerable evidence on the importance of leadership by principals and other senior teachers in driving improvements in the performance of their schools. Even in a highly centralised system, school leaders can play a pivotal role in motivating and mentoring staff, instituting a high performance culture, and tailoring the use of available resources to meet the needs of their particular schools. Moreover, in an environment of increasing autonomy for schools (see below), the role of school leaders as decision makers grows — as does the effect they can have on performance.

Q *Has sufficient policy attention been paid to school leadership and its contribution to education outcomes?*

Q *What motivates teachers to become school leaders? Is enough being done to identify current and future leaders?*

Q *What skills do school leaders require beyond those acquired as teachers? Is enough being doing to facilitate leaders' acquisition and development of ancillary skills? Do principals necessarily require a teaching background?*

Q *In an environment of greater autonomy for schools, how is the role of the principal likely to change? To what extent do changes in job design for school leaders have feed-through effects to other members of the schools workforce?*

School autonomy

While principals of independent schools maintain control over the programs they run and the staff they employ, the decision making powers of principals in government schools (as well as systemic Catholic schools) have traditionally been constrained.

However, since the 1990s, government school principals in Victoria have had considerable authority over budgetary decisions and staffing profiles. A pilot study in Western Australia and the Australian Government's Empowering Local Schools program will also see many administrative responsibilities devolved to the school level, allowing each community some degree of flexibility to respond to local circumstances and needs.

Q *What are the advantages and disadvantages of increasing school autonomy? To what extent can currently centralised responsibilities be sensibly devolved to the school level? What lessons can be learned from approaches in Victoria and other countries, as well as from experiences in independent schools?*

Q *What specific governance and regulatory arrangements are needed to support greater school autonomy?*

Q *What other checks and balances are required to ensure individual schools do not advance their interests at the expense of outcomes across the whole system? Specifically, could schools serving disadvantaged communities be left worse off by the competition for resources that might result from decentralisation? To what extent could such outcomes be ameliorated by concomitant increases in the flexibility of remuneration arrangements?*

Q *Is a 'one size fits all' approach to school autonomy appropriate, or should the degree of autonomy enjoyed by schools vary according to their performance?*

Meeting the needs of particular student populations

The disparities in student outcomes indicated by surveys of Australia's educational performance reinforce the need for specific policies to help a number of groups in the community realise their educational potential. As well as educationally disadvantaged communities (rural and remote, Indigenous and low socioeconomic status, along with children experiencing homelessness or who rely on out-of-home care), there are also groups of students who have specific educational requirements beyond the standard curriculum, including special needs students (such as children with a disability) and students from language backgrounds other than English.

To varying degrees, these needs are explicitly reflected in current workforce

arrangements (or in prospective changes to them). For example, integration aides are typically made available for special needs students, and English as a Second Language courses often feature in the curriculum for foreign students. Nonetheless, the Commission is interested in whether there are untapped opportunities to better address aspects of educational disadvantage.

Q *How effective is the current suite of workforce-related initiatives to address educational disadvantage? Should the goal of such policies be greater equality in education outcomes or greater equality of opportunity for all students to realise their educational potential? Does the choice between these two alternatives have implications for the nature of the schools workforce policies that should be employed to address educational disadvantage?*

Q *Are all student groups that are experiencing significant educational disadvantage being given suitable recognition in the current workforce policy framework? Are current measures of socioeconomic status adequate?*

Q *Are school workers sufficiently trained to deal with special needs students, students from cultural and language backgrounds other than English, and students with any other specific educational requirements?*

Q *Are there particular qualities that are especially important in teaching Indigenous students? Do existing teaching courses place sufficient emphasis on the development of these qualities? How might the number of Indigenous Australians training to enter the schools workforce be increased?*

Q *Are there workforce changes that would assist disadvantaged students make a successful transition from school to work or further education?*

Q *What are the main factors that influence the choice of teachers and other professionals to work in areas of educational disadvantage or with students with specific educational needs?*

The surrounding institutional framework

Beyond the specific issues outlined above, the Commission is also interested in whether the collective institutional and regulatory regime under which the schools workforce operates is conducive to good outcomes. Among the considerations that arise in this context are:

- the flexibility of various aspects of the regime
- the degree of coordination:
    - among all of its constituent parts (government and non-government)

- between different levels of government (Australian Government, and State and Territory Governments)

- between education departments and service providers

- with related sectors (including ECD and VET)

- the quality of research into, and evaluation of, education policy.

Q *How responsive is the overall institutional regime to changing circumstances? Is the established culture and practice within education departments and related regulatory agencies, as well as in government and non-government schools, an impediment to workforce reform?*

Q *Are industrial relations arrangements in the schools sector sufficiently flexible? Are there particular regulatory or institutional factors that may impede the recruitment and retention of high quality school workers? How can these be addressed?*

Q *Does the policy interface between the Australian Government and State and Territory Governments pose challenges for effective schools workforce reform? What effect will initiatives such as national accreditation and registration requirements, and the introduction of a national curriculum, have on the schools workforce and its capacity to meet the needs of students, parents and the community?*

Q *Is there sufficient engagement between the government and non-government school sectors on workforce-related issues?*

Q *How effective is the interaction with parents and the community on matters relating to student progress and school policy? How engaged are parents in school governance processes, in classroom support, and in other aspects of school activity?*

Q *Is there sufficient interaction and coordination between the schools, ECD and VET sectors?*

Q *Is there an adequate focus on the evaluation of programs (including the dissemination of evaluation results), and a readiness to adjust programs if evidence indicates that improvements can be achieved?*

Q *Are there particular information and data gaps, either in collection or dissemination, that impede good decision making in education policy? Are the current institutional arrangements for undertaking research on schools workforce policy, and on education policy more generally, adequate? If not, how might they be improved?*

References

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Attachment A   Terms of reference

EDUCATION AND TRAINING WORKFORCE STUDY
Productivity Commission Act 1998

I, Nick Sherry, Assistant Treasurer, pursuant to Parts 2 and 3 of the Productivity Commission Act 1998 hereby request that the Productivity Commission undertake a research study to examine issues impacting on the workforces in the early childhood development, schooling and vocational education and training sectors, including the supply of and demand for these workforces, and provide advice on workforce planning, development and structure in the short, medium and long-term.

Background

The Council of Australian Governments (COAG) has agreed on common strategic frameworks to guide government action on early childhood development, schooling and vocational education and training (VET) across Australia.

Building the capability and effectiveness of the workforces in these sectors, particularly for Indigenous people, will be critical to achieving the outcomes agreed in these frameworks. This study is to be undertaken in this context, and responds to a request from the COAG Working Group on the Productivity Agenda that the Productivity Commission undertake a research study examining workforce issues in these sectors.

Scope

The Commission is to provide advice on workforce planning, development and structure of the early childhood development, schooling and VET workforces in the short, medium and long-term.

In undertaking this study, it should consider and provide advice on:

1. The current and future demand for the workforces, and the mix of knowledge and skills required to meet service need. This will include consideration of:
   (a) population distribution and demographic trends, jurisdictional and regional analysis;
   (b) significant shifts in skill requirements; and
   (c) policy and regulation given the agreed COAG outcomes (particularly the National Early Childhood Development Strategy, relevant National Partnerships, the National Education Agreement and the National Indigenous Reform Agreement).
2. The current and future supply for the workforces, including:
   (a) demographic, socio-cultural mix and composition of the existing workforces, and jurisdictional and regional analysis;
   (b) elements such as remuneration, pay equity/differentials, working conditions, professional status and standing, retention, roles and responsibilities, professional development, and training and support structures; and
   (c) qualifications pathways particularly pathways that will ensure accessibility and appropriateness of training to meet the qualifications and competencies required for the various occupations in the workforces.
3. The current and future structure and mix of the workforces and their consequential efficiency and effectiveness, including:
   (a) the composition and skills of the existing workforces;
   (b) the productivity of the workforces and the scope for productivity improvements; and
   (c) the most appropriate mix of skills and knowledge required to deliver on the outcomes in the COAG national framework.
4. Workforce planning, development and structure in the short, medium and long-term, including:
   (a) policy, governance and regulatory measures to maximise the efficiency and effectiveness of the workforces in order to achieve the outcomes set out in the COAG frameworks; and
   (b) changes to ongoing data collection to establish a robust evidence base, provide for future workforce planning and development and meet reporting requirements.

In addressing the Terms of Reference, a key consideration will be the extent to which sectoral and jurisdictional boundaries limit innovation and flexibility in workforce planning, development and practices. In addition to sector-specific issues, the Commission is therefore requested to consider whether reducing sectoral divides between workforces in these sectors could support a more learner-focused approach, achieve better individual outcomes and increase the efficiency of workforce development and planning.

Cross-sectoral and integrated service delivery

In recognition of some lowering of cross-sectoral boundaries and the growth of cross-sectoral delivery and integrated service delivery models, the Commission is asked to consider and provide advice on:

1. workforce skill and training needs;
2. the extent to which job design and employment agreements in the sectors are aligned to contemporary work practices;
3. implications for workforce planning across the sectors from integrated service delivery; and
4. the extent to which existing employer practices encourage attracting and retaining employees.

In addition, the Commission is to give consideration to factors that impact on building Indigenous workforce capability in recognition of the effect this will have on improving outcomes for, employment of and services to Indigenous Australians.

The Commission is also to give consideration to factors that have particular impact on each sector. These will include:

1. The Early Childhood Development Workforce

The Early Childhood Development (ECD) workforce can include, but not be limited to: coordinators and managers, early childhood teachers, teaching assistants and para-professionals, childcare workers for pre-primary and primary aged children, early childhood intervention professionals, administrative staff, community service workers and relevant health and social welfare professionals.

In relation to the ECD workforce the Commission is asked to specifically consider and give advice on:

1. Factors affecting the current and future demand and supply for the ECD workforce, and the required mix of skills and knowledge, including:
    (a) delivery of fully integrated ECD services including maternal and child health, childcare, preschool, family support services and services for those with additional needs;
    (b) market requirements for broader leadership, management and administrative skills in operating both mainstream universal service providers and integrated service hubs;
    (c) the availability and quality of pre-service education programs, including through undergraduate and postgraduate education and VET, and consideration of training pathways;
    (d) ECD workforce participation, including ease of access to the early childhood development workforce in different sectors and net returns to individuals and recognition of expertise; and
    (e) the quality and skills of the workforce, job design and workplace practices and arrangements and their contribution to achieving COAG outcomes and setting future direction.

2. Workforce planning, development and structure in the short, medium and long term, covering:
    (a) career pathways, the structure of existing employment arrangements and practices and the extent to which they are dis/incentives to attracting and retaining employees, including pay and conditions across settings; strategies to address possible pay equity issues as necessary; options for funding pay increases as necessary; and the implications for purchasers of ECD services and all levels of government and funding responsibilities;
    (b) potential labour market failures;
    (c) the impact of government, community and private provision; and
    (d) the concept and workforce implications of integrated service delivery.

2. The Schooling Workforce

The schooling workforce refers to teachers and those who support the practice of teaching. These can include, but are not limited to: leaders and managers; teaching assistants and para-professionals; administrative staff; and relevant health professionals.

In relation to the schooling workforce the Commission is asked to specifically consider and give advice on:

1. The current and future supply for the schooling workforce, including:
    (a) the availability and quality of pre-service education programs, including through undergraduate and postgraduate education, and VET;
    (b) government programs targeting supply pressures, including the extent to which there is national cohesion in relation to these programs;
    (c) motivation for entering, remaining in and exiting the school workforce and the attraction and retention of principals in changing contexts; and
    (d) school workforce participation, including ease of access to the teacher profession and/or schooling workforce, net returns to individuals, recognition of industry expertise, wastage rates in teacher training and underutilisation of qualified teachers (such as loss of qualified teachers to other occupations or overseas).

2. The structure and mix of the workforce and its consequent efficiency and effectiveness, including:
    (a) the composition and skills of the existing workforce;
    (b) the productivity of the workforce and the scope for productivity improvements, qualifications pathways; and
    (c) how the current delineation of duties supports or impedes the achievement of COAG outcomes.

3. Workforce planning, development and structure in the short, medium and long term:
    (a) the extent to which current sectoral boundaries promote or limit efficiency and effectiveness in schooling workforce;
    (b) interface with suppliers of pre-service training (undergraduate, post-graduate and VET) and
    (c) the quality and culture of the workforce and its employers, and their contribution to achieving COAG outcomes and setting future directions.

3. The VET Workforce

The status of VET practitioners as 'dual professionals', deploying both industry and education skills delivered in schools, VET only, dual sector and industry settings, is unique among education sectors, and poses both challenges and opportunities for the VET sector in attracting and retaining staff. In addition, the increasingly commercial environment in which many providers operate creates a significant role for VET professionals who are engaged in organisational leadership and management, but not directly involved in training delivery. The impact of this trend on the required capabilities of VET professionals is of policy interest.

In relation to the VET workforce, the Commission is asked to consider both the VET workforce as a whole, including trainers and assessors in enterprises, adult community education and community organisations, and the TAFE workforce as a subset, and provide advice on:

1. Factors affecting the current and future demand for the VET workforce, and the required mix of skills and knowledge:
    (a) change in participation in VET as a result of increasing labour market emphasis on formal training and lifelong learning;
    (b) change in volume and type of training delivered to each VET participant as a result of the trend towards higher level qualifications, and as a result of the impact of the Recognition of Prior Learning (RPL) and the Recognition of Current Competencies (RCC);
    (c) likely future patterns of training demand by industry and sector, including as a consequence of responses to emerging economic and environmental issues and to gap training and skills assessment;

(d)   requirement for broader skills in VET professionals as a result of increasing system focus on client needs, including flexible delivery, greater focus on employability skills, catering for a more diverse student base, and partnering with enterprises and communities;

(e)   demand for managerial and entrepreneurial skills as a result of growing commercial dimensions of the VET sector and strategic market positioning and branding;

(f)   the impact of delivery of higher level VET qualifications (eg Associate and Bachelor Degrees); and

(g)   training pathways and the provision of 'second chance' education and training such as for migrant and Indigenous students.

2. The current and future supply of the VET workforce, including:

(a)   motivation for entering, remaining in and exiting the workforce; and

(b)   competition from other employers including industry and other education sectors.

3. The structure of the workforce and its consequent efficiency and effectiveness, including:

(a)   the extent to which job design and employment agreements in the VET sector are aligned to contemporary work practices in a commercially competitive environment;

(b)   the adequacy of support for high-quality professional practice, including consideration of practitioner qualifications and standards for VET practitioners across sectors;

(c)   the current and potential impact of workforce development activities within the VET sector on the capability and capacity of the VET workforce, including a workforce development plan; and

(d)   the implications of emerging workplace and employment practices, including increasing casual and part-time employment, the 'core/periphery' model and blurring of teaching and non-teaching roles.

Study Process

In undertaking its study, the Commission should consult widely with relevant professionals and interested parties. It should use, but not replicate, existing work such as that underway by COAG, the relevant Ministerial Councils, Senior Officials' Working Groups and jurisdictions, including on:

- the early childhood quality reform agenda;
- teacher quality reforms;
- further reforms arising from policy directions of the National Agreement on Skills and Workforce Development;
- Indigenous reforms; and
- previous work commissioned by the Victorian DHS for the Community Services Ministers Advisory Committee.

This should include relevant recent survey work and workforce studies in each sector and research undertaken by NCVER, ACER, various university research centres, TAFEs and Industry Skills Councils, and the OECD.

The study should include a comparative element, both in terms of comparing the education and training workforce to other community/public service professions such as the health sector, and of relevant international comparisons, particularly with regard to the ECD workforce which is undergoing significant reform in Australia.

The Commission should provide a report, dealing with the VET workforce, within twelve months of receipt of this reference; and a second and third report, dealing with the early childhood development and schooling workforces, within eighteen and twenty four months respectively of receipt of this reference. The reports will be published.

Nick Sherry
Assistant Treasurer
[Received 22 April 2010]

Attachment B   Have your say

This is a public study, and the Commission invites any interested party to make a written submission. Submissions should be lodged with the Commission by **19 August 2011**.

Submissions may range from a short letter outlining your views on a particular topic to a more substantial document covering a range of issues relevant to the study's terms of reference (attachment A).

Submissions are public documents

To facilitate the consultation process, each submission will be published on the Commission's website shortly after receipt. These will remain online indefinitely as public documents.

Under certain circumstances, the Commission can accept sensitive material on a confidential basis — for example, if it was of a personal or commercial nature, and publishing the material would be potentially damaging. You are encouraged to contact the Commission for further information and advice before submitting such material. Any material supplied in confidence should be provided under a separate cover and clearly marked.

Copyright in submissions sent to the Commission resides with the author(s), not with the Commission.

How to make a submission

Each submission should include a completed cover sheet, containing your contact details. (For privacy reasons, this cover sheet will not be published.) The cover sheet, along with complete details on how to lodge your submission, can be found on the study website.

Website: http://www.pc.gov.au/projects/study/education-workforce/schools/

For advice on how to make a submission, or for any administrative queries relating to this study, please contact Yvette Goss on (03) 9653 2253.