

# Educating Australia

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Education is a key lever for Australia to unlock the productivity of the next generation, and there are clear opportunities for industry to play a role in enriching educational experiences and building a more productive workforce. Elise Wherry, Partner at KPMG, explores how the Australian education sector can be more productive and facilitate productivity in partnership with industry.

*"Realising every Australian's educational potential lies at the heart of Australia's future productivity. We need to ensure that student needs and their associated educational experience are central to the entire education sector – from early childhood right through to higher education. Educational attainment, including the completion of secondary school, vocational education and further post-compulsory education, is a pivotal factor in making a successful transition into the workforce,"* comments Elise Wherry, Partner at KPMG, reflecting on one of the greatest challenges we face in terms of boosting productivity – lifting Australia's education performance. As many sectors and industries face rapid change — and in some cases demise — well targeted training and retraining is more important than ever to maintain a skilled and flexible workforce.

Examples from across industries tell us that when an entity invests to add value to its customer, the customer responds with deeper engagement, loyalty and longer commitment to that entity. For education, this tells us that if we can truly focus on what the individual student needs and how to tailor teaching and assessment to meet those needs, the next generation of students are more likely to commit to the lifelong learning required for an agile workforce and productive society.

Paul Howes, KPMG's Advisory Partner on Workplace Relations, believes that the old 'job for life' model is redundant. In an environment where full-time jobs with full entitlements are becoming extinct, job 'security' is no longer the right ambition. Howes argues that real security comes from having the skills, training and experience to open a range of career doors through our working lives.

This will require excellent teaching and training and this isn't simply a matter of throwing more money at the system. *"Increased funding does not necessarily correlate with improved educational outcomes so it is about being smart about where you invest,"* comments Wherry. As the *2011 Review of Funding for Schooling* (the Gonski review) found, Australia's school funding system has lacked a logical, consistent and publicly transparent approach and this results in a patchy education system where your experience depends on where you live and the cards you were dealt.<sup>1</sup>

This is a real problem — Australia's performance in the OECD's Programme for International Student Assessment (PISA) tests, held every 3 years, has trended down over the past decade despite increases in expenditure. In 2000, Australia ranked 6<sup>th</sup> for maths, 8<sup>th</sup> for science and 4<sup>th</sup> for reading (out of 41 countries), dropping to 19<sup>th</sup> for maths, 16<sup>th</sup> for science and 13<sup>th</sup> for reading in 2012 (out of 65 countries).

<sup>1</sup> <https://docs.education.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf>

# "Funding needs to account for the vast differences in student need both within schools and between schools".

Says Wherry: *"Essentially, we must invest in what works to deliver the best possible student experience and outcomes system-wide."*

*For example, in terms of school education a move towards smaller class sizes has been expensive when empirical research and international experience shows that high quality teaching is more important and delivers more in terms of return on investment.<sup>2</sup> This is really a matter of what the student experiences day-to-day".*

A student-centred educational model will have a different focus at different stages of a student's educational journey. At the outset – when a student is in early childhood and then schooling settings, we need to tailor our learning and teaching, and associated funding, to individual student and broader student cohort needs.<sup>3</sup>

## Getting the policy and funding settings right

While there is no silver bullet — improving teaching in schools will require a combination of policy responses — there is increasing evidence of the effectiveness of targeted teaching to meet individual student needs. In practice, this involves using data to understand what each student needs and teaching in line with this. To do this, you need to get the funding right.

*"Funding needs to account for the vast differences in student need both within schools and between schools. The Gonski review gathered great momentum in moving towards needs-based funding but there is still a way to go in consistently implementing this approach so that all students can expect the same high quality experience regardless of which school they attend and their personal circumstances,"* says Wherry.

The funding arrangements for all aspects of education must put the student and their needs at the centre, not inter-governmental relations, politics or historical funding models. We must relentlessly focus on what works in terms of improving student outcomes.

## Supporting students into employment

This is a consideration that applies not only to schools but also to tertiary education. This generation of students will be the most highly qualified of any generation but also face the most competition to get the careers that they want. In the toughest job market in 20 years, we need a tertiary education system that is delivering exactly what students and employers need.<sup>4</sup>

Employers also have a responsibility. To use an industry-specific example, as mining slows down metallurgists are being made redundant — without retraining, these highly skilled workers will not have the qualifications they need to contribute to a productive Australia. Jobs and sectors move in a cyclical fashion, and it's crucial that employers take a long-term view.

In vocational education and training, funding models and regulation must ensure that training does not trade off quality in the name of price. Rather, these systems must aim to support training providers to deliver the best possible training to give every student with the skills and competencies they need to perform at the highest levels in their chosen vocation. Part of this equation will be ensuring that pre-assessment processes are used effectively to tailor training to meet individual needs and meet the expectations of their current and future employers. We also need to ensure that the quality of training is maintained at a very high standard to ensure faith in the system.

For higher education, funding must similarly enable Australian institutions to deliver innovative, world class teaching and learning. While the recent public debate has focused on funding and the deregulation of fees, the key to improving productivity will be delivering graduates with the skills and capabilities that they need. Comments Wherry: *"This requires a focus on delivering the highest quality teaching, as well as cutting edge research. These elements combined have the scope to provide a truly exciting and enriching student experience"*.

<sup>2</sup> *Productivity and Participation Synthesis* paper, Menzies Research Centre, National Reform Summit, July 2015.

<sup>3</sup> <http://grattan.edu.au/report/targeted-teaching-how-better-use-of-data-can-improve-student-learning/>

<sup>4</sup> <http://www.theage.com.au/business/the-economy/generation-y-overqualified-but-unprepared-for-work-20151106-gkt2ud.html>

Industry and employers have a critical role to play in both aspects. Not only can industry provide the insights to what skills are needed in an ever-changing work environment, they can also be key partners in research that makes a real-world impact.

In a true partnership, industry would have the ability to share their knowledge of what provides an excellent customer experience and this knowledge could also be used to enhance student experiences and put their learning at the centre.

As touched on earlier, industry and employers should also be accountable. It should not be the case that industry 'tells' the education sector what it wants and expects it to be delivered. As the needs of industry and employers change, and the skills required by their employees shift, they need to be willing to drive the training that will enable workers to learn those new skills and adapt to rapidly changing workplaces.

### **Where to from here?**

*"With a prevailing mood of optimism, now is the time to have the debate about the phase of education reform. We need to deliver the right policy and funding settings across the education sector, and particularly in higher education, to work towards a truly world class system,"* says Wherry. Depoliticising the higher education debate would help us focus on the things that really matter – how to drive research, development and innovation that will enhance our productivity as a nation.

With a self-identified 'reform government' at the helm, and a focus on Australia being a smart, progressive nation, the environment is ripe for change. Exactly what this will mean for the education sector is yet to be seen, but a willingness to engage with the issues facing all parts of that sector is certainly a strong starting point.

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