

### Agreement in Principle

**Mr NATHAN REES** (Toongabbie—Premier, and Minister for the Arts) [4.30 p.m.]: I move:

That this bill be now agreed to in principle.

In introducing the Education Amendment Bill today the Government is delivering the most comprehensive change to education and learning in New South Wales of any State in Australia. This is the culmination of an extensive consultation period but, importantly, the implementation of research-based policy development. I move to legislate for the single most significant education policy advancement in New South Wales since the Second World War. From 2010 all students in New South Wales will, as a minimum, complete year 10 and, until they are 17 years old, continue to be engaged in some form of education, training or employment. This reform provides additional educational opportunities for every school student in New South Wales that will ultimately enhance their employment capacity, enhance their earning potential over the course of their employment, and set New South Wales up for the long term as a clever State. It is a reform that is overdue.

Compulsory attendance until 15 years of age was set in 1943 and today remains in place. Of the 30 OECD nations only students in Greece, Korea and Portugal leave earlier. I want to put in place a system that enables every student to maximise his or her learning potential and this is a vital part of the structure that our schools, TAFEs and universities need to deliver to those students. In New South Wales we can be rightly proud of the education system that we have built. The results of national and international tests demonstrate that our students are doing well. But this bill sets a new standard for what our young people can achieve. We know that many young people are missing out on the opportunities that educational attainment can bring. Young people who leave school before completing year 10 are particularly at risk of being left behind at a time when more and more jobs require higher skill levels and further qualifications.

This is a fundamental shift that sets New South Wales students and our State up for the future. All Australian States, except Victoria and the Northern Territory, have adopted a policy of engagement in school, training or work until 17 years of age. I want to emphasise the compelling weight of the body of research in this area. National and international evidence indicates that young people who complete 12 years of education have greater opportunities for further education and sustainable employment. In 2006 the Productivity Commission found that early leavers tend to be less likely to work and to earn less when they are employed. The Australian Bureau of Statistics had this to say about unemployment rates:

Early school leavers are two a half times more likely to be unemployed.

Access Economics conducted research that showed that, on average, early school leavers would earn lower wages over a lifetime and would be more likely to be unemployed for periods of their lives. Those who complete school are more likely to pursue further study or training and will have higher completion rates in later vocational education or skills training—a study by Karmel and Woods, Australian academics who write in the field of vocational education. Karmel and Nguyen said that women who complete year 12 are 14 per cent more likely to be employed than those who do not and earn, on average, 8 per cent more.

There is also evidence of health benefits and behaviours that place a person's health at risk are reduced. The Bureau of Crime Statistics and Research suggests a lower likelihood of criminal conviction or imprisonment the longer an individual is in school. In Britain we are told that 16-year-olds to 18-year-olds not in school, or work, or training are more likely to experience depression or ill health by the age of 22. The Australian National University Centre for Economic Policy Research estimated the benefit to be 10 per cent a year in increased income for every additional year of education. In short, it stacks up. The advantages of staying on at school also compound with early school leavers 2½ times more likely to be unemployed.

I will talk briefly about the benefits to our economy. Applied Economics estimated a gain of between \$1.5 billion and \$2.7 billion to the New South Wales economy if early school leaver numbers were halved by the year 2050. The OECD asserted that an additional year of education is estimated to raise the level of productivity by between 3 per cent and 6 per cent for a country with Australia's current average educational level. Our stability now and our prosperity into the future depend on this State developing a highly skilled workforce—a workforce that allows our business sectors to be innovative and competitive. And we are strongly placed to promote and support higher retention rates in our schools.

For the students we will deliver a thoroughly modern curriculum, a balance of academics and vocational training in our schools. We will deliver a variety of secondary schools, senior colleges and specialist schools. We will deliver university links and we will deliver a massive capital works programs at schools and TAFEs. We will also deliver 25 new trade schools and our Learn or Earn skills package that guarantees a place in TAFE for anyone under 18 who is not at school and is unemployed. We will also guarantee programs for job preparation in schools and TAFE, funding for schools that are serving disadvantaged students and families, partnerships with industries, and an expanded New South Wales Government apprenticeships and cadetships program.

Our approach has strong community support. Our reform is strongly supported by detailed submissions from the Business Council of Australia, the New South Wales Parents and Citizens Federation, and from the New South Wales Catholic Parents Association. We expect that numbers will increase gradually in our schools to about 8,900 additional students per year, either still at school or in vocational education and training. This includes students who currently leave before the end of year 10 and students who leave before turning 17 years old and do not go on to employment. Providing for these students at school and TAFE will cost around an extra \$98 million per year.

I turn now to the specific provisions of the bill. It creates a new section 21B in the Act. This section defines the minimum school leaving age as the age at which a student completes year 10 of secondary education, or the age of 17 years, whichever occurs first. Year 10 can be completed in a number of ways: it can be completed while attending a New South Wales government school or non-government school, or by being registered for home schooling where such registration covers the completion of year 10. The Education Act 1990 currently provides that the registration for home schooling is subject to the condition that the child receives instruction to meet the minimum curriculum requirements for schools. These minimum curriculum requirements already apply until the end of year 10.

A child will have completed year 10 through home schooling when he or she is registered to do so under the Education Act and has met the conditions upon which his or her registration is granted. Recognition will also be given to the achievements of children who have completed the equivalent of year 10 outside New South Wales. The Director General of Education and Training, or a prescribed officer, will be given the authority to decide that the education a child has received is equivalent to the completion of year 10. The system will have the flexibility to allow for the special circumstances affecting particular students. The Minister will have the power to approve the completion of education in such special circumstances so that it would amount to the completion of year 10.

Section 21B also introduces a new concept for education in New South Wales, which is that every young person must participate in some form of education or training or be in employment from the time he or she completes year 10 until he or she reaches 17 years of age. For the majority of students this will simply mean that they stay at school and study for the New South Wales Higher School Certificate, and go on to further education or employment, as is currently the case. For others the options for this participation phase include a vocational course or an apprenticeship, or traineeship. A small number of gifted students may take advantage of the accelerated learning pathways that lead to early entry to higher education.

Where individual circumstances arise that require a more flexible solution, this can be done at the discretion of the Minister. This bill is about a better future for every young person in New South Wales. We acknowledge that for some young people this will require us to work with them to develop a unique solution that best meets their needs. I wish to emphasise that the Rees Government has listened to the community in allowing students to take up employment as part of the range of options in the participation phase. The Government recognises that for a small number of students continuing in educational training past year 10 may do little to improve their future. We acknowledge that there needs to be some flexibility for young people whose interest and talents are best developed in whole or in part in the workplace.

Section 21B (3) contains that flexibility. It allows young people to undertake paid work or a combination of paid work and education and training. As this bill is essentially about encouraging greater participation in education or training, the paid work options are generally only available to young people who have already reached the age of 15. In general, we would not want a child of, say, 12 accelerating through year 10 and then directly joining the full-time workforce. If there are exceptional circumstances that warrant a younger child participating in paid work, the option exists to seek an exemption from the Minister. The bill also provides flexibility for young people for whom life does not necessarily operate according to plan. Section 21B (4) allows a young person to cease participation for a period of three months in any 12-month period. We understand that a young person may decide that the option he or she has chosen does not suit him or her.

The Rees Government recognises, particularly in this economic climate, that employment may cease or a student may face suspension. The bill provides the breathing space that these young people need to get themselves re-established in a suitable form of participation. However, if a period of unemployment extends beyond three months, we believe it is in the young person's best interests either to return to school or to take up a training place—alternatives that we can guarantee will be available. The Education Act makes parents primarily responsible for the participation of their children in compulsory education in New South Wales. Parents face prosecution if their children do not participate in compulsory education. This bill is a watershed in New South Wales education. It marks a renewal of our commitment to our young people and it means a redoubling of all our efforts to make a better future for them. I commend the bill to the House.