



## What you must know about the Schools Funding Review

### What is it?

An expert panel was appointed in April by the Federal Government to conduct a review of how all schools are funded. It is the most comprehensive review undertaken since 1973. The review panel is expected to make recommendations next year on new funding arrangements for schools.

### What will the review look at?

The review will examine how schools are currently funded and how the distribution of resources can be improved to ensure every child receives a high quality education. It will also examine what investments in education work well and what can be improved.

### What's the best way to get involved?

Parents can put in their own submission via the campaign website [www.forourfuture.org.au](http://www.forourfuture.org.au).

Teachers are being encouraged to join with their colleagues in helping to prepare their school's submission.

### Why do we need to change the way schools are funded?

The current federal funding system fails to give priority to public schools. While public schools receive a fixed amount of around \$1,000 per student each year, private schools receive up to \$7,000 per student, regardless of the school's other income, its wealth or resources. *In total, private schools get two thirds of the money the federal government spends on schools, even though they only educate one third of students.*

If nothing is done to change this the public school share will fall even further.

### Why invest more in public schools?

Only public schools can give every child the opportunity to get a high quality education and that is so important for our future. More resources would allow schools to provide more individual attention for those who need it, reduce class sizes and ensure all students have access to 21<sup>st</sup> century buildings and facilities.

Investing in public schools not only benefits children and families but it is an investment in stronger local communities and a more prosperous and equitable nation.



## *Schools Funding Review Campaign*



### **How can I stay informed about the review and the union campaign?**

Visit the campaign website [www.forourfuture.org.au](http://www.forourfuture.org.au) and sign up for updates on the review and the campaign. There you will also find more information about schools funding and how teachers and parents are working together to get a better deal for public school students.



## Fact Sheet 1 – The Review Process

- The Federal Government's review of the way it funds public and private schools was announced on 15 April 2010, by then Minister for Education, Julia Gillard.
- This is the first comprehensive funding review in over 30 years. The last time funding arrangements for all schools were reviewed was in 1973.
- The Review process is an historic opportunity to change the funding system and your opportunity to get involved and contribute your ideas about getting a better deal for the millions of students and families who rely on our public schools.
- The funding review will examine:
  - How Australia's schools are currently funded.
  - What needs to be done to improve the distribution of resources to provide high quality education for all students regardless of their personal and social circumstances.
  - What investments in schooling work well and what can be improved.
  - Options to improve the distribution of funding.
  - The principles against which schools funding should be measured.
- The Review is expected to conclude in 2011, with new funding arrangements to be in place for the next schools' funding agreement.
- The Review is being undertaken by an expert review panel led by chairman David Gonski AC, a businessman and philanthropist who is also the Chancellor of the University of NSW and chairman of the Australian Securities Exchange, Coca-Cola Amatil and Investec Bank. The panel also includes Dr Ken Boston AO, Professor Carmen Lawrence, Kathryn Greiner AO, and Dr Peter Tannock AM.



## Fact Sheet 2 – The Current System

- *“Australia’s system of school funding is one of the most complex, opaque and confusing in the developed world ...”*  
Julia Gillard, National Public Education Forum, Canberra, March 28, 2009
- The current funding system is not held in particularly high regard by education commentators. Australia’s system of school funding has been variously described as containing *“considerable deficiencies”* (Burke, 2003), *“quite remarkable difficulties which makes it “very frustrating”* (Hayward, 2004), *“unsatisfactory and “deficient”* (Australian Senate 2004), a *“failure”* (Watson 2007), *“exceedingly complicated”* (Bonnor 2007), *“inequitable and inefficient”* (Vickers 2005), *“irrational”* (Connors, 2007) and *“unhelpfully complex and exceedingly opaque”* (Angus 2007).  
Dr Andrew Dowling, *Australia’s School Funding System*, ACER 2007

### Some Basic Facts

- There are around 9,500 primary and secondary schools in Australia; 6,800 public (78%) and 2,700 private (22%). (ABS Schools Australia 2009)
- There are around 3.5 million primary and secondary students; 2.3 million (66%) in public schools and 1.2 million (34%) in private schools. (ABS Schools Australia 2009)
- The Federal government and the state/territory governments have responsibility for funding our schools. Both levels of government provide funding for the ongoing operation of schools (recurrent funding) and for buildings and equipment (capital funding).
- Commonwealth general recurrent grants for schools are paid according to the number of students in primary and secondary schools.
- They are linked to a measure of State/Territory government recurrent expenditure known as the Average Government School Recurrent Costs (AGSRC), a formula which determines a per capita amount of funding for primary and secondary students. Because public schools educate the overwhelming majority of students with special needs, Indigenous students,



## Some Basic Facts (cont)

- new arrivals and those from a non-English speaking background as well as those in rural, remote and isolated settings, the average cost of the provision of public education is higher than in private schools. There is no educational or moral justification for the funding of private schools to be linked to the AGSRC.
- Public schools receive only 10 per cent of the AGSRC per year (around \$1,000 per student). For the two-thirds of students who attend those schools the recurrent funding was just under \$1.9 billion in 2008. (Dr Jim McMorrow, *Schools Funding Futures*, July 2010)
- For private schools, Commonwealth recurrent funding is spread over 46 subsidy levels ranging from 13.7% to 70% of the AGSRC. (That equates to between \$1,300 and \$7,000 a year per student). According to the SES funding formula introduced by the Howard Government in 2001, the subsidy levels for each school are supposed to be determined by the SES (socio-economic status) of the areas where students come from. The resources of the school are not taken into consideration.
- In 2008, Commonwealth recurrent funding for the one-third of students in private schools across Australia was just over \$5.5 billion, almost 3 times as much as the \$1.9 billion for public school students. (Dr Jim McMorrow, *Schools Funding Futures*, July 2010)
- When funding from all sources, including State/Territory and Commonwealth governments, fees, fundraising, sponsorships and the like, are taken into account, average total expenditure for students in government schools is several thousand dollars less per year than the average figure for students in private schools. (MCEETYA, *National Report on Schooling in Australia*, 2008)



## Fact Sheet 3

### The Fundamental Flaws of the SES Funding System

- When the SES funding system for private schools was introduced in 2001, special arrangements were put in place so that it only applied to schools which would receive an increase in funding when it began operating. More than half have their funding maintained at historical levels despite these levels being higher than that to which they are now entitled.
- A Howard Government review of the system in 2006 exposed how inequitable the system is:  
*“The consistency and equity of the SES funding arrangements is undermined by the fact that almost half the non-government school sector is funded outside the straight SES model. Under the current funding arrangements, 40% of Catholic systemic schools and 75% of independent schools are funded on their actual SES scores.”* (DEST Review December 2006)
- The Review itself said that this *“is not consistent with the Government’s objective of funding all schools on a consistent needs basis”* and *“entrenches purely historical inequities”*. (DEST Review December 2006)
- Research undertaken in 2008 showed that private schools would receive \$2.7 billion more than they were entitled to if the Government’s SES funding formula was properly applied over the next four years. (DEST Review, McMorrow August 2008)
- Although the Labor Government has made significant and welcome changes in overall funding for schools, the fact that they have maintained the Howard Government’s funding formula for private schools means that the disparity in resourcing under Labor is still stark.
- By the end of the current funding agreement in 2012, private schools will have received \$47 billion from the Labor Government (up 50% since 2007/08) and public schools \$34 billion (up 80% since 2007/08). (McMorrow)



## The Myth of Increased Funding Following Enrolments

- John Howard and his Education Ministers, and now Julia Gillard, defend increases in private school funding on the grounds that they are driven by enrolment increases. This is a fiction. Between 1996 and 2006 private school enrolments increased by only 22%. (*ABS Schools Australia*)
- Many wealthy private schools have had increases of up to 200% in Federal funding with little or no increase in enrolments. Some have even had substantial decreases in enrolments yet still received large increases in funding. (Department of Education, Employment and Workplace Relations)
- Looking forward, private school funding will continue to increase disproportionately compared to private school enrolments. (Dr Jim McMorrow, *Schools Funding Futures*, July 2010)

## International Comparisons

- The 2010 *OECD Education at a Glance* report shows that Australia provides much greater levels of public funding to private schools than most other OECD countries.
- Australia consistently ranks near the bottom of OECD nations in public expenditure on public schools. In 2008 it ranked third lowest - 26th out of 28 countries - in the share of government education funding provided to public schools. It falls behind countries including the United States, Canada, Austria, New Zealand, Mexico, France, Germany and Britain.
- The report shows that 16.9% of Australia's total public expenditure for education was spent on private schools and 71.9% on government schools in 2008. By comparison the US spent 99.8% of its government funding on public schools compared to 0.2% on private schools.



## Fact Sheet 4 – A Better Deal for Public Schools

- Public schools have a legal and moral responsibility to be open to all students; private schools don't and aren't. This requires governments to recognise their primary obligation of governments to properly and adequately fund public schools.
- The achievement of high quality education outcomes for all students must take into account the additional costs involved in educating children from a diverse range of backgrounds and circumstances.
- Australia's public schools educate the majority of students who are recognised to have particular educational needs, and there are large gaps in outcomes between many students in these groups. Factors such as family income, Indigeneity, language background, geographic location, disabilities and special needs, and other socio-economic and cultural factors have an impact on the educational needs and outcomes of students, and thus of schools and sectors.
  - Public/private enrolments are in the ratio 66:34
  - The equivalent ratio for 'At Risk students' is 79:21
  - For ESL New Arrivals Program: 91:9
  - For Students with Disabilities and Special Needs: 80:20
  - For Indigenous Students: 86:14
  - The proportion of students enrolled in remote public schools is 1.8% .compared to 0.8% in private schools; for very remote schools 1.2% compared to 0.3%.
  - Public schools educate an increasing concentration of low SES students while high SES students are increasingly concentrated in the Catholic and Independent sectors.



## What a Good Funding Model Should Do

- Recognise the particular legal and moral responsibilities of public schools.
- Acknowledge the central and moral responsibility of governments – Commonwealth and State – for providing high quality public schooling that is accessible by all.
- Recognise that achieving high quality education for all involves additional costs of educating children from a diverse range of backgrounds and circumstances.
- Recognise that public schools do the ‘heavy lifting’ of educating children from a diverse range of backgrounds and circumstances.

## AEU Principles for a Fair and Equitable Schools Funding System

- **True equity can only exist when government schools set the standard for high quality education.**
- **The primary obligation of governments is to properly and adequately fund public schools.**
- **Every family has a right to a well resourced, high quality public school in their community.**

This guarantee ensures that every child has a right to:

- a high quality public school where all children can learn together and learn to live together.
- qualified teachers and staff to meet their needs and aspirations.
- a curriculum of the highest quality which ensures the development of the whole child.
- a safe, modern 21st century learning environment.
- achieve his/her personal best.