

## **Education Research Brief**

# **The State of School Funding in Australia: Trends Since 2009 and During the Gonski Funding Period**

**Trevor Cobbold**

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**Save Our Schools**

<http://www.saveourschools.com.au>

<https://twitter.com/SOSAust>

[saveourschools690@gmail.com](mailto:saveourschools690@gmail.com)

## Key Points

***Total government funding per student in public schools (adjusted for inflation – “real funding”) was cut between 2009 and 2016 while funding for Catholic and Independent schools increased significantly. Even during the Gonski funding period of 2013-2016 funding increases for private schools far outstripped the increase for public schools.***

- The total income per student of Independent and Catholic schools is significantly higher than in public schools – the income of Independent schools is over 50% higher than for public schools and about 10% higher in the case of Catholic schools.
- The income disparity between public and private schools has widened since 2009. The total real income per student in Catholic schools increased by \$1,582 between 2009 and 2016 and by \$1,866 in Independent schools compared to a cut of \$174 in public schools.
- The increased income disparity between public and private schools is mainly due to large government funding increases for private schools and cuts to public schools.
  - Real funding for public schools was cut by \$110 per student (-1%) between 2009 and 2016 while funding for Catholic schools increased by \$1,171 per student (15.2%) and for Independent schools by \$1,026 (16.3%).
  - The cuts in public schools were due to cuts by state governments. The Commonwealth increased funding for public schools in every state, but every state government cut funding to public schools.
  - The Commonwealth provided large increases in funding to private schools and most state governments increased funding for private schools.
- The income disparity between public and private schools has also widened since the introduction of the Gonski funding plan in 2014. The total real income per student in Catholic schools increased by \$699 between 2013 and 2016 and by \$827 in Independent schools compared to \$86 in public schools.
- The increased disparity was mainly due to bigger government funding increases for private schools than public schools.
  - In the first three years of the Gonski funding plan, total real government funding per student in Catholic and Independent schools increased by over four times that in public schools - \$524 per Catholic student (6.3%), \$507 per Independent student (7.4%) and \$123 per student in public schools (1.2%).
  - The smaller increase for public schools was due to a smaller increase in Commonwealth funding and a cut in state funding. Every state government except Victoria and Tasmania cut funding for public schools in the Gonski period.
- Public schools are likely to remain significantly under-funded under the new Commonwealth arrangements unless state governments provide a major funding boost for public schools. Private schools will be over-funded unless state governments cut their funding.
- The immediate priority is to ensure a funding boost for public schools by the states. The longer-term goal remains to implement a nationally integrated funding model directed at reducing disadvantage in education and which ends special deals and over-funding of private schools.

# Summary

## School income 2009-2016

1. The total recurrent income per student of Catholic and Independent schools in Australia and in nearly all states and territories was significantly higher than in public schools in 2016.
  - The average total income per student in public schools in Australia was \$13,747 compared to \$21,092 per student in Independent schools and \$15,026 in Catholic schools [see Chart 1].
2. The total income (adjusted for inflation – hereafter called “real” income/funding) of public schools fell by \$174 per student between 2009 and 2016 but increased massively for private schools [Chart 3]. The total real income of Catholic schools increased by \$1,582 per student and by \$1,866 in Independent schools.
3. The disparity in real income per student between public and private schools has widened considerably since 2009 – from 36% to 55% higher for Independent schools and from 6% lower to 10% higher for Catholic schools.
4. Government funding changes accounted for the large part of the increased income disparity between public and private schools. Fees and donations in private schools also increased in real terms.

## Government funding 2009-2016

(See Summary Funding Table 1, p. 6; Summary Funding Charts A-F, pp. 7-9)

### *Australia*

1. Average real total government (Commonwealth and state) funding per student in public schools across Australia was cut by \$110 per student (-1%) between 2009 and 2016 while funding for Catholic schools increased by \$1,171 per student (15.2%) and for Independent schools by \$1,026 (16.3%) [Charts 3 & A1].
2. The cut in real government funding for public schools was due to significant cuts by state governments which more than offset increased Commonwealth funding.
  - Real Commonwealth funding for public schools increased by \$370 per student (23.1%), but state government funding was cut by \$481 (-5.4%).
  - Both the Commonwealth and state governments increased real funding for private schools. Commonwealth funding for Catholic schools increased by \$1,091 per student (18.9%) and by \$950 per student in Independent schools (20.8%). State government funding for Catholic schools increased by \$80 per student (4.1%) and by \$76 per student (4.4%) in Independent schools.

### *States and territories*

3. Real total government funding for public schools was cut in all states except Queensland and Tasmania while private schools received large funding increases in all states [Chart 4]. The funding increases for Catholic schools were larger than for Independent schools in all states.
  - The largest cuts in real government funding for public schools occurred in Victoria (-\$267 per student), Western Australia (-\$806), and the Northern Territory (-\$1,282).
  - The largest increases for Catholic and Independent schools were in Victoria (\$1,360 & \$1,166 respectively), Tasmania (\$1,917 & \$1,738) and the Northern Territory (\$3,666 & \$1,609).
4. The Commonwealth increased funding for public schools in every state, but every state government cut funding to public schools [Charts 5 & 6].

- The state cuts to public schools were very large in most cases: NSW -\$523 per student; Victoria -\$458; Queensland -\$144; Western Australia -\$961; South Australia -\$370, Tasmania -\$264; ACT -\$410 and the Northern Territory -\$3,026.
5. Increases in Commonwealth funding for Catholic and Independents schools were over double that for public schools in all states.
  6. Most state governments increased funding for private schools while cutting funding for public schools. For example, the Victorian Government increased funding for Catholic schools by \$254 per student and by \$131 for Independent schools while cutting funding for public schools by \$458.
    - Where cuts to funding for private schools occurred, they were much smaller than the cuts to public schools. For example, the NSW Government cut funding to public schools by \$523 per student compared to only \$77 per Catholic student and \$10 per Independent student.

### **School income in the Gonski period: 2013-2016**

7. The total real income per student in Catholic schools increased by \$699 between 2013 and 2016 and by \$827 in Independent schools compared to only \$86 in public schools.
8. The disparity in real income per student between public and private schools widened from 48% to 55% for Independent schools and from 4% to 10% higher for Catholic schools.
9. Government funding changes accounted for the large part of the increased income disparity between public and private schools. Fees and donations in private schools also increased in real terms.

### **Government funding in the Gonski period: 2013-2016**

(See Summary Funding Table 2, p. 6; Summary Funding Charts A-F, pp. 7-9)

#### ***Australia***

10. In the first three years of the Gonski funding plan from 2013 to 2016, average real total government funding per student in Catholic and Independent schools across Australia increased by over four times that in public schools.
  - Real total government funding for public schools increased by \$123 per student (1.2%) compared to \$524 per Catholic student (6.3%) and \$507 per Independent student (7.4%) [Charts 7 & A5].
11. The smaller increase for public schools was due to a smaller increase in Commonwealth funding and a cut in state funding.
  - Commonwealth funding for public schools increased by \$260 per student (15.2%) compared to \$532 per student (8.4%) in Catholic schools and \$482 per student (9.6%) in Independent schools.
  - State governments cut funding for public schools by \$137 per student (-1.6%) compared to a cut in funding for Catholic schools of \$8 per student (-0.4%) and an increase of \$25 per student (1.4%) for Independent schools.

#### ***States and territories***

12. Catholic and Independent schools received much larger increases in government funding than public schools between 2013 and 2016 in all states [Chart 8].
  - Total government funding for public schools increased in NSW, Victoria, Queensland and Tasmania but by far less than for Catholic and Independent schools. For example, funding for NSW public schools increased by \$3 per student compared to \$427 in Catholic schools and \$363 for Independent schools.

- Funding for public schools was cut in Western Australia (-\$76 per student), South Australia (-\$151), the ACT (-\$606) and the Northern Territory (-\$431) but increased for Catholic and Independent schools in Western Australia (\$251 & \$336 respectively), South Australia (\$344 & \$408) and the Northern Territory (\$1,516 & \$1,641) and for Catholic schools in the ACT (\$879).
13. The larger increases for Catholic and Independent schools were due to higher increases by the Commonwealth and significant cuts to public school funding all states except Victoria and Tasmania.
  14. Commonwealth funding increases for Catholic and Independent schools were generally much larger than for public schools – in nearly all cases they were double or more those for public schools.
    - In Western Australia, the increase for Catholic and Independent schools was 9-10 times that for public schools and the increase for Catholic schools in the ACT was over 10 times that for public schools.
  15. Six state governments cut funding of public schools during the Gonski funding period.
    - Large cuts to public schools occurred in Queensland (-\$273 per student), South Australian (-\$296), ACT (-\$660) and Northern Territory (-\$1391).
  16. Several states also cut funding to Catholic and Independent schools, but generally by small amounts, while others increased funding. The cuts were generally much smaller than for public schools in the same jurisdiction.

## **Conclusions**

17. Government funding increases since 2009 have strongly favoured private schools. Since the introduction of the Gonski model in 2014, government funding increases for public schools have continued to lag far behind those for Catholic and Independent schools.
18. State governments have spectacularly failed in their responsibility to adequately support public schools. Every state has cut real funding for public schools since 2009. Even during the Gonski plan years, six of the eight state governments continued to cut real funding for public schools.
19. The Turnbull Government has abandoned the concept of a national school funding model and reverted to separate funding roles for the Commonwealth and the states. Its new funding arrangements guarantee future funding increases for private schools but not for public schools because this is left to state governments which are responsible for about 80% of the funding of public schools.
20. Public schools are likely to remain significantly under-funded under the new Commonwealth arrangements unless state governments provide a major funding boost for public schools. Private schools will be over-funded unless state governments cut their funding.
21. The immediate priority is to ensure a funding boost for public schools by the states. The longer-term goal remains to implement a nationally integrated funding model directed at reducing disadvantage in education and which ends special deals and over-funding of private schools.

## Summary Funding Tables

**Table 1: Change in Government Funding by Source, 2009-2016, (\$ per student, adjusted for inflation)**

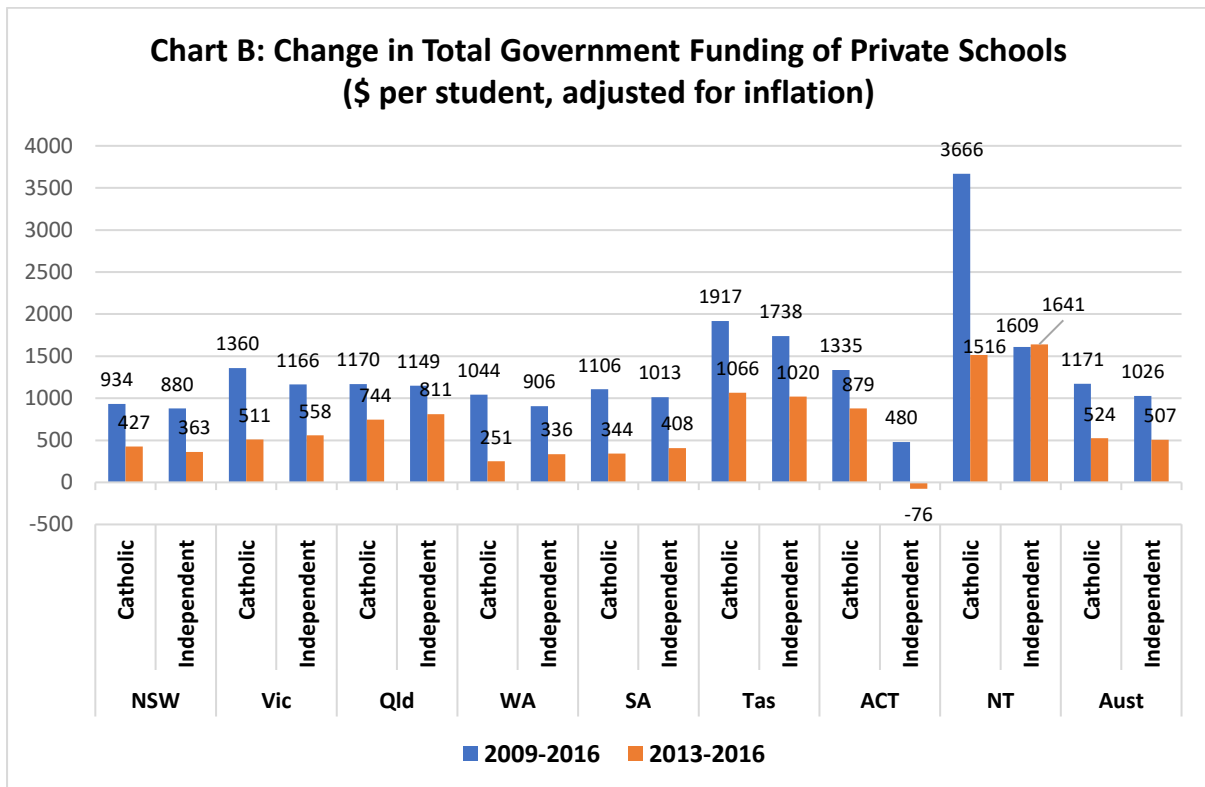
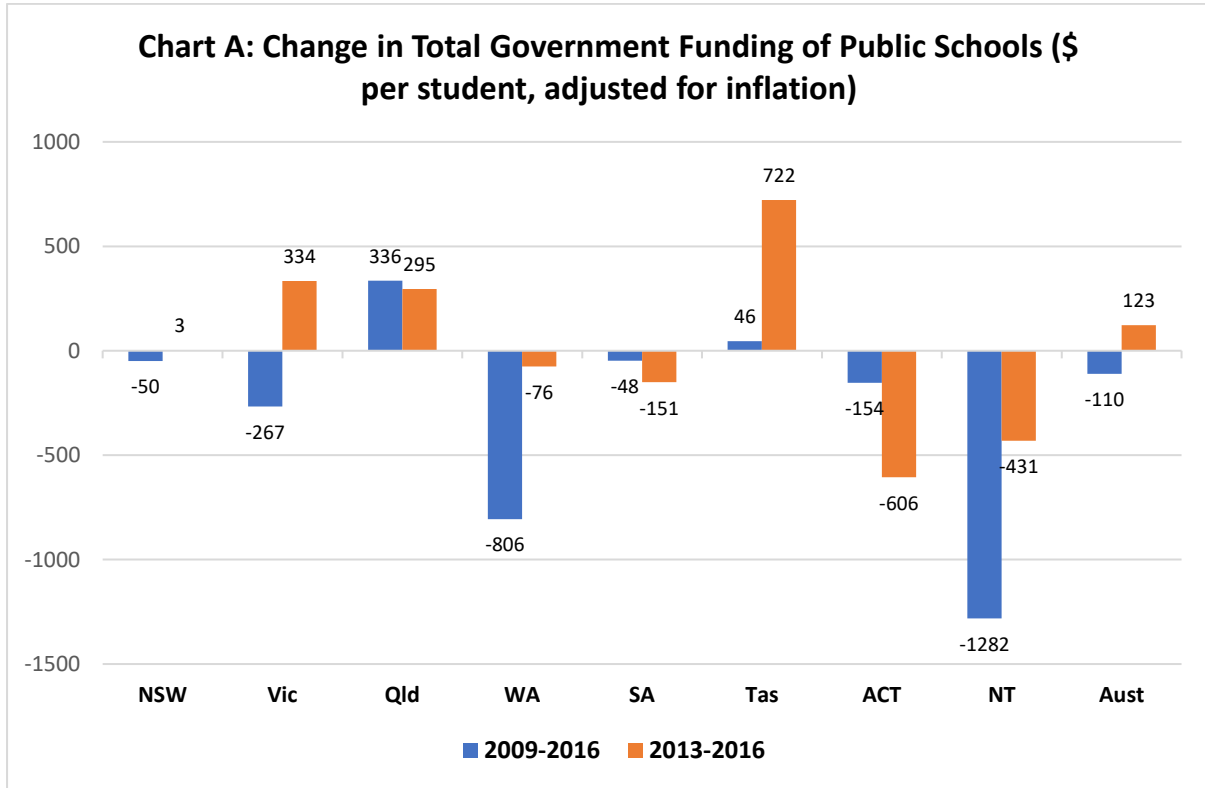
	Commonwealth			State			Total		
	Public	Cath	Ind	Public	Cath	Ind	Public	Cath	Ind
NSW	473	1011	890	-523	-77	-10	-50	934	880
Vic	191	1105	1035	-458	254	131	-267	1360	1166
Qld	479	1086	1060	-144	84	89	336	1170	1149
WA	155	1052	732	-961	-7	174	-806	1044	906
SA	322	972	890	-370	134	123	-48	1106	1013
Tas	310	1754	1537	-264	164	201	46	1917	1738
ACT	255	1116	572	-410	220	-23	-154	1335	480
NT	1745	3733	1866	-3026	-67	-257	-1282	3666	1609
Aust	370	1091	950	-481	80	76	-110	1171	1026

**Table 2: Change in Government Funding by Source, 2013-2016, (\$ per student, adjusted for inflation)**

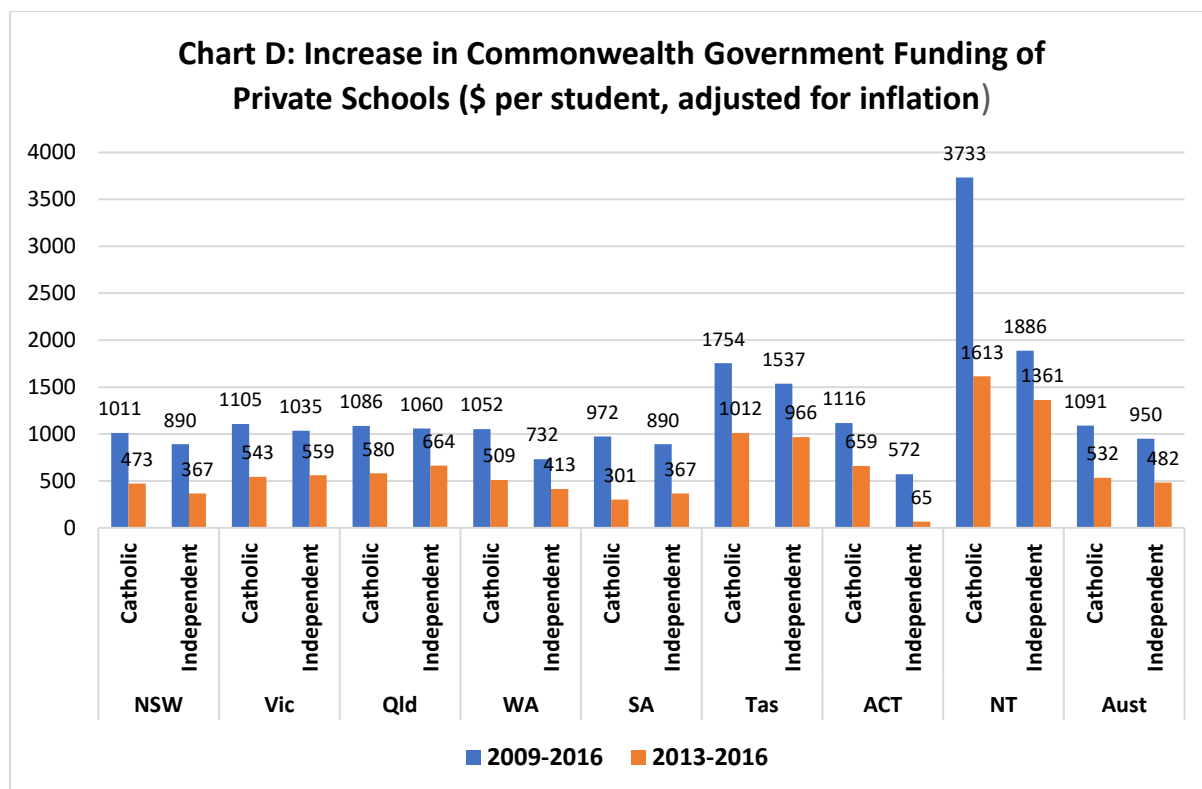
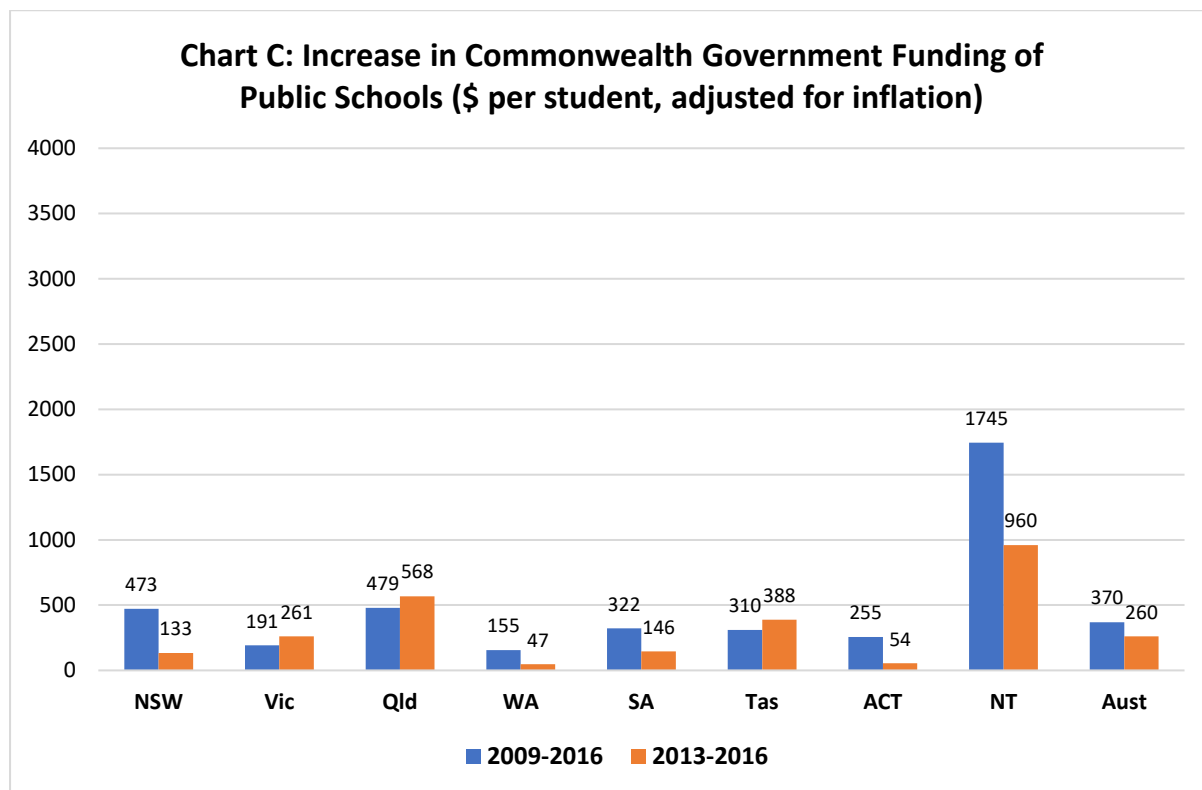
	Commonwealth			State			Total		
	Public	Cath	Ind	Public	Cath	Ind	Public	Cath	Ind
NSW	133	473	367	-130	-46	-4	3	427	363
Vic	261	543	559	72	-32	-1	334	511	558
Qld	568	580	664	-273	164	147	295	744	811
WA	47	509	413	-123	-258	-77	-76	251	336
SA	146	301	367	-296	43	41	-151	344	408
Tas	388	1012	966	334	54	54	722	1066	1020
ACT	54	659	65	-660	221	-140	-606	879	-76
NT	960	1613	1361	-1391	-97	280	-431	1516	1641
Aust	260	532	482	-137	-8	25	123	524	507

# Summary Funding Charts

## Total Government (Commonwealth & State) Funding

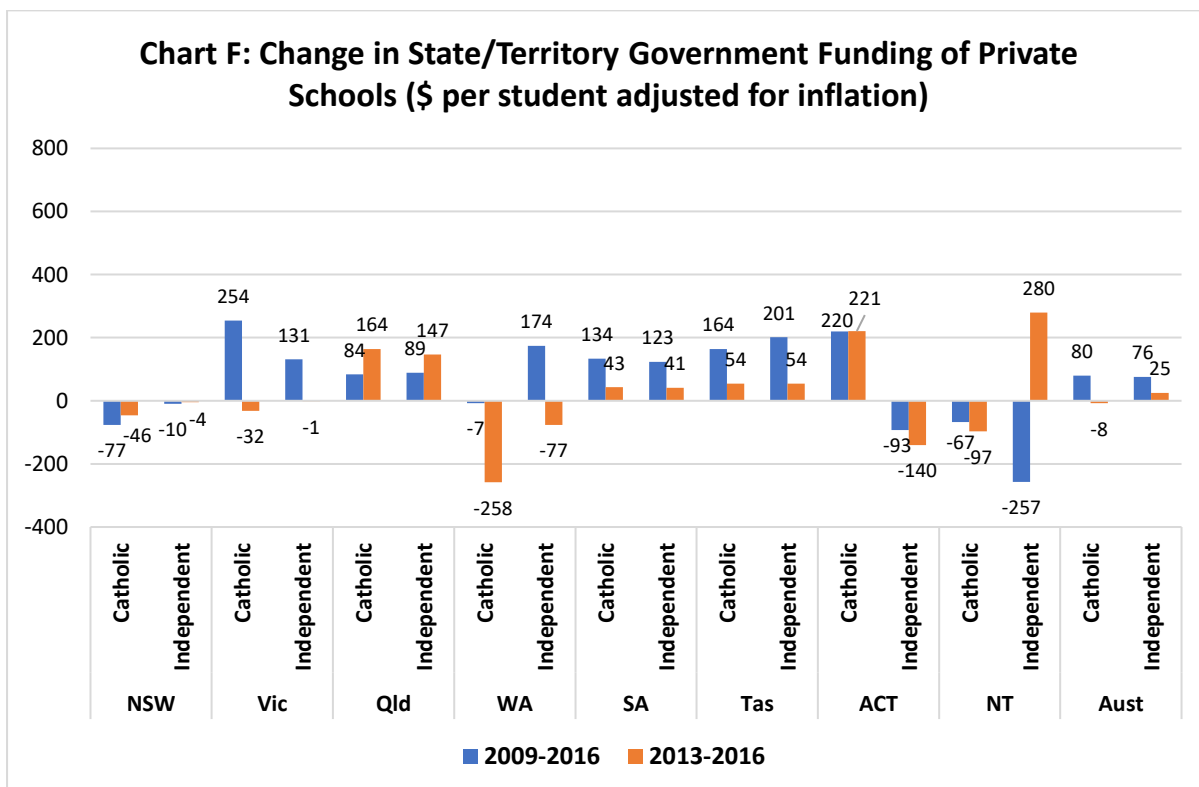
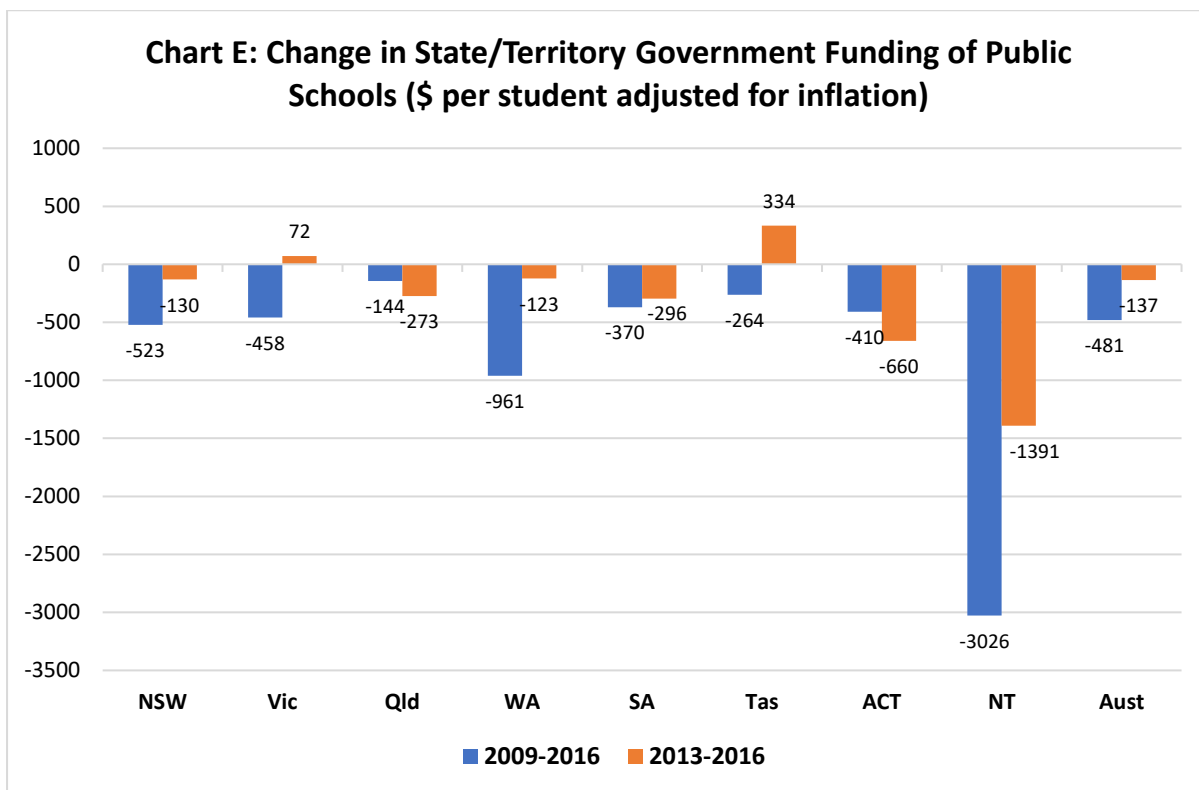


## Commonwealth Government Funding





## State and Territory Government Funding



## 1. Introduction

New figures published by the Australian Curriculum, Assessment and Reporting Authority (ACARA) in April show that the total recurrent income of Catholic and Independent schools is significantly higher than that of public schools. The income disparity has widened substantially since 2009.

The new data also show that governments have increased funding per student (adjusted for inflation – hereafter referred to as “real”) in Catholic and Independent schools since 2009 while cutting funding for public schools. While the Commonwealth Government increased funding for public and private schools, all state and territory governments (hereafter referred to as “states”) cut funding for public schools by more than the Commonwealth increase and nearly all increased funding for Catholic and Independent schools.

The introduction of the Gonski funding arrangements made little difference to this trend in the first three years of its operation from 2013 to 2016. While the Commonwealth increased funding for public schools (and private schools), all states except Victoria and Tasmania cut funding for public schools. The Commonwealth increase was sufficient to offset the state cuts in some jurisdictions but not in others.

The recurrent income and funding figures published by ACARA have been adjusted here for rising costs using a combined index of the Wage Price Index for public and private education and training and the Consumer Price Index published by the Australian Bureau of Statistics (see Attachment B). Total recurrent income per student used here refers to gross income figures published by ACARA (see Attachment B).

## 2. Total income of schools 2009 to 2016

### 2.1 Comparative income levels 2016

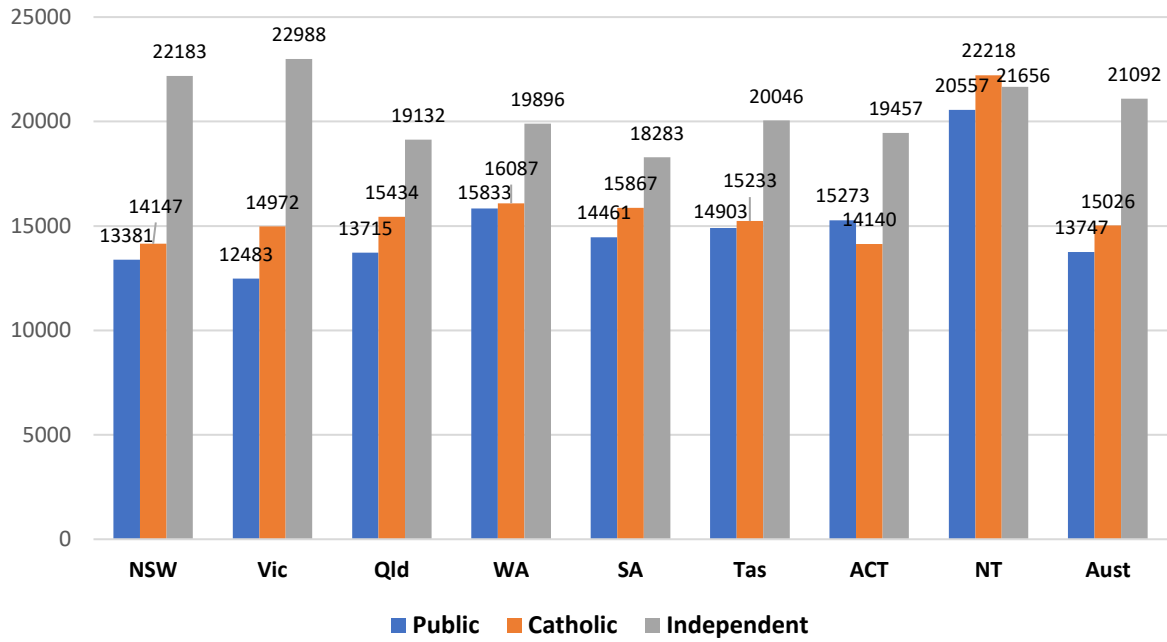
The total recurrent income per student of Catholic and Independent schools in Australia was higher than in public schools in 2016. The average total income per student in public schools in Australia was \$13,747 compared to \$21,092 per student in Independent schools and \$15,026 in Catholic schools [Chart 1]. The total income of Independent schools was 53% higher than that of public schools while the income of Catholic schools was 9% higher.

The total income of Independent schools exceeded that of public schools in all states and territories. The gap between the income of Independent and public schools is particularly large in Victoria and NSW. In Victoria, the income of Independent schools is nearly double that of public schools – \$22,988 compared to \$12,483 per student. In NSW, the per student income of Independent schools is \$8,802 (66%) higher than that of public schools.

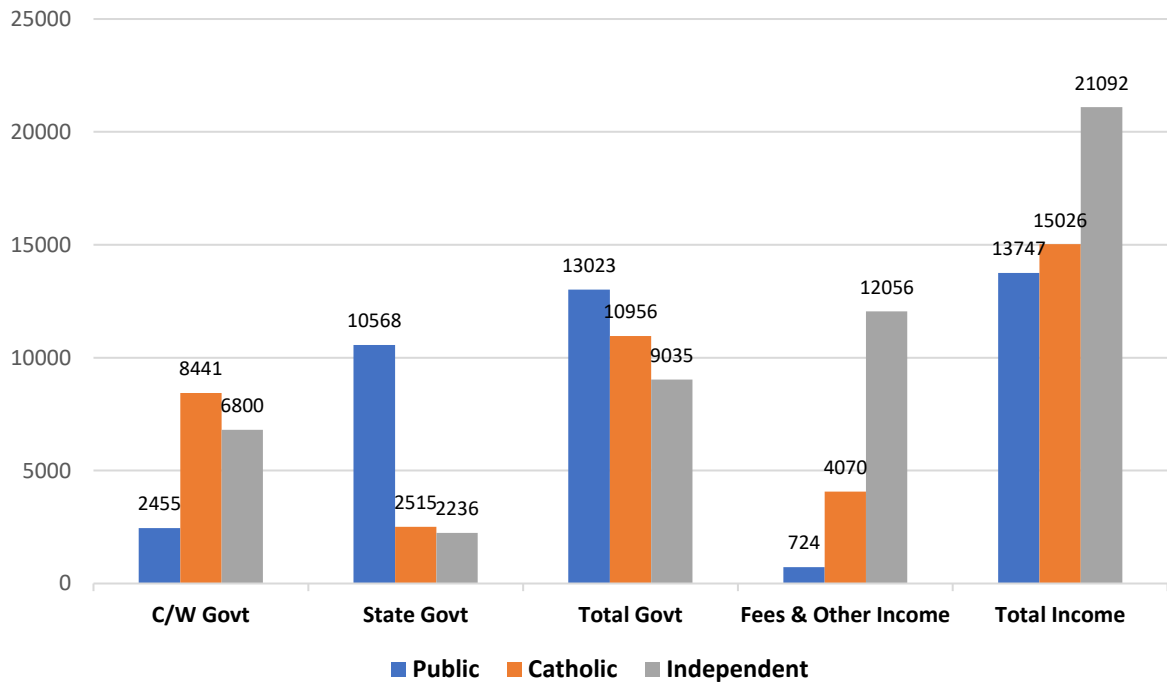
The income of Catholic schools exceeded that of public schools in all states and territories except the ACT. The gap is largest in Victoria where it is \$2,489 per student higher (20%).

Government funding provided 95% of the total recurrent income of public schools, 73% of that of Catholic schools and 43% of that of Independent schools in 2016 [from Chart 2]. Commonwealth Government funding provided 18% of the total recurrent income of public schools, 56% of that of Catholic schools and 32% in Independent schools. In contrast, state governments provided 77% of the total income of public schools, 17% of the income of Catholic schools and 11% of that of Independent schools.

**Chart 1: Total Recurrent Income of Public, Catholic & Independent Schools, 2016 (\$ per student)**



**Chart 2: School Income by Source, Australia, 2016 (\$ per student)**



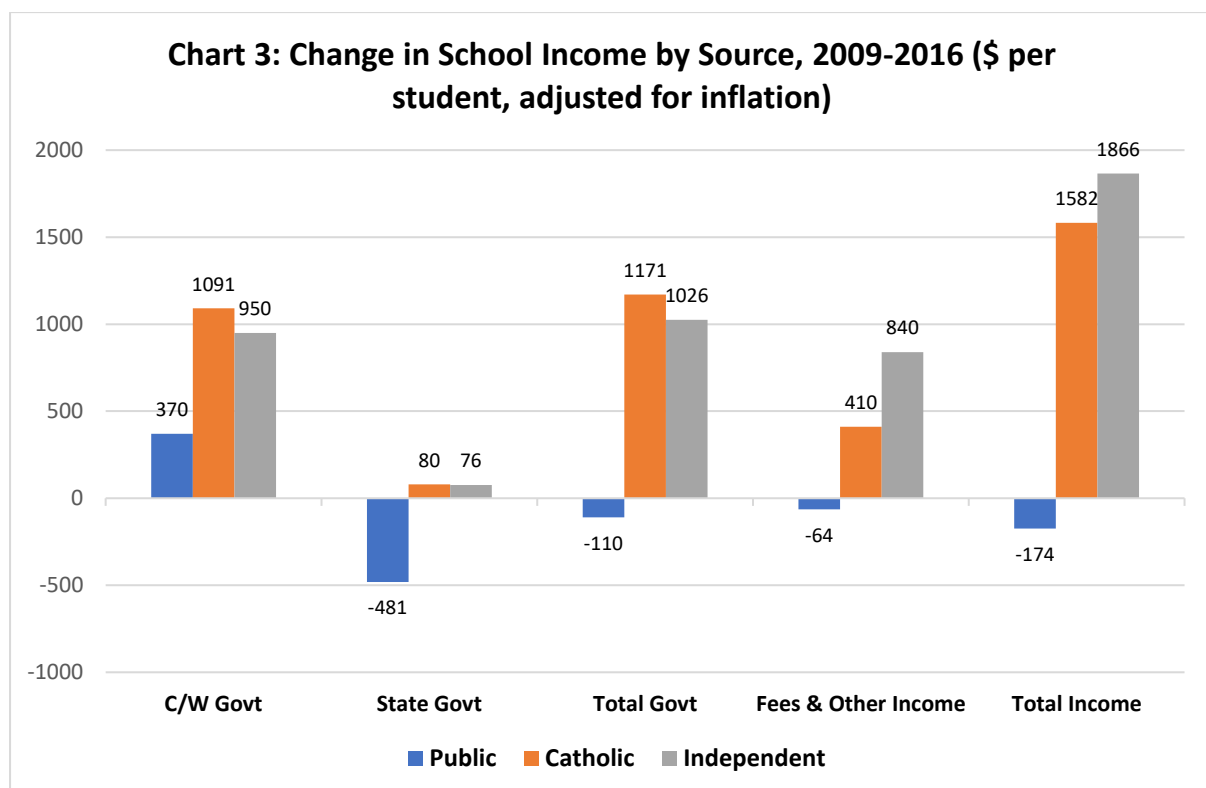
## 2.2 Changes in income levels

The resource disparity between public and private schools has widened substantially since 2009. The real total income of public schools fell by \$174 per student (-1.6%) between 2009 and 2016 but increased massively for private schools [Chart 3]. The total real income of Catholic schools increased by \$1,582 per student (14.9%) and by \$1,866 (12.2%) in Independent schools.

In 2009, total real income per student in Independent schools was 36% higher than in public schools while the income per student of Catholic schools was 5.7% lower than in public schools. In 2016, total real income of Independent schools was 55% higher than that of public schools while the income of Catholic schools was 10% higher. The increase in the resource advantage of private schools was due to a significant cut in government funding and other income for public schools while government funding for Catholic and Independent schools increased as did their income from fees and other private income sources.

Government funding changes accounted for the large part of the increase in the resource advantage held by Catholic and Independent schools over public schools (see below). While government funding for public schools fell, government funding provided 74% of the increase in Catholic school recurrent income, with the Commonwealth providing 70% of the increase and state governments 4%. Government funding provided 55% of the increase in the recurrent income of Independent schools, with the Commonwealth providing 51% of the increase and state governments 4%.

Real increases in income from fees and donations for Catholic and Independent schools also contributed to the increase in their resource advantage. Fees and donations in Catholic schools increased by \$410 per student (14.2%) and by \$840 per student (9.4%) in Independent schools compared to a fall of \$64 per student (-9.9%) in public schools.



### 3. Government funding 2009 to 2016

#### 3.1 Australia

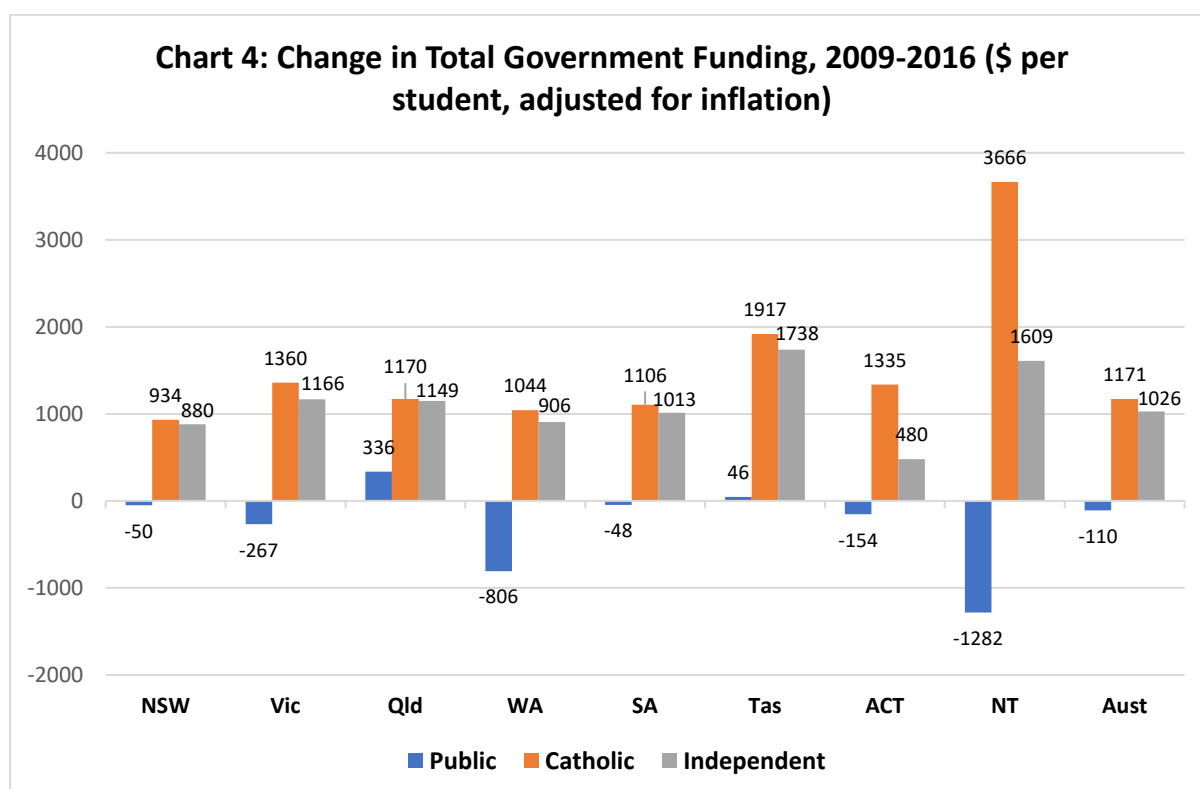
Real total government (Commonwealth and state) funding per student in public schools across Australia was cut by \$110 per student between 2009 and 2016 while funding for Catholic schools increased by \$1,171 per student and for Independent schools by \$1,026 [Chart 3]. In percentage terms, government funding for public schools was cut by 1% while it increased by 15.2% in Catholic schools and by 16.3% in Independent schools [see Attachment A, Chart A1].

The cut in real government funding for public schools was due to significant cuts by state governments which more than offset increased Commonwealth Government funding. Real Commonwealth funding for public schools increased by \$370 per student (23.1%), but state government funding was cut by \$481 (-5.4%).

Both the Commonwealth and state governments increased funding for private schools. Real Commonwealth funding for Catholic schools increased by \$1,091 per student (18.9%) and by \$950 per student in Independent schools (20.8%). State government funding for Catholic schools increased by \$80 per student (4.1%) and by \$76 per student (4.4%) in Independent schools.

#### 3.2 States and territories

There was a huge difference in the trends in real total government funding for public and private schools in all states and territories between 2009 and 2016. Private schools received large funding increases in all jurisdictions while funding for public schools was cut in all jurisdictions except Queensland and Tasmania [Chart 4]. Funding increases for Catholic schools were larger than for Independent schools in all jurisdictions.



The largest cuts in real government funding for public schools occurred in Victoria, Western Australia and the Northern Territory (percentage changes are shown in Attachment A, Chart A2). Real funding for public schools in Victoria was cut by \$267 per student (-2.8%) but increased for Catholic schools

by \$1,360 (18.5%) and by \$1,166 (21.8%) in Independent schools. In Western Australia, real funding per student in public schools was cut by \$806 per student (-6.1%) but increased for Catholic schools by \$1,044 (12.8%) and by \$906 (13.4%) in Independent schools. There was a huge disparity between public and private school funding in the Northern Territory: funding for public schools was cut by \$1,282 per student (-7.4%) but increased for Catholic schools by \$3,666 per student (32%) and by \$1,609 per student (14.8%) in Independent schools.

Total government funding for NSW public schools was cut by \$50 per student (-0.5%) but increased for Catholic schools by \$934 (11.7%) and by \$880 (13.6%) in Independent schools. In Queensland, funding for public schools increased by \$336 per student (3.3%) compared to an increase of \$1,170 (15.1%) for Catholic schools and \$1,149 (17.2%) for Independent schools. Total government funding for public schools in South Australia was cut by \$48 per student (-0.4%) while funding for Catholic schools increased by \$1,106 per student (14.8%) and by \$1,013 (16.1%) in Independent schools. Government funding for public schools in Tasmania increased by \$46 per student (0.4%) but this was dwarfed by an increase of \$1,917 (24.6%) in Catholic schools and by \$1,738 (26.5%) in Independent schools. Government funding for public schools in the ACT was cut by \$154 per student (-1.3%) but increased for Catholic schools by \$1,335 (20%) and by \$480 (8.4%) in Independent schools.

The cuts to real government funding for public schools were due to cuts by state governments. The Commonwealth increased funding for public schools in every state, but every state government cut funding to public schools. The Commonwealth also increased funding for private schools in every state and all state governments, except NSW and the Northern Territory, also increased funding for either one or both private school sectors. State government cuts to private schools were much smaller than for public schools.

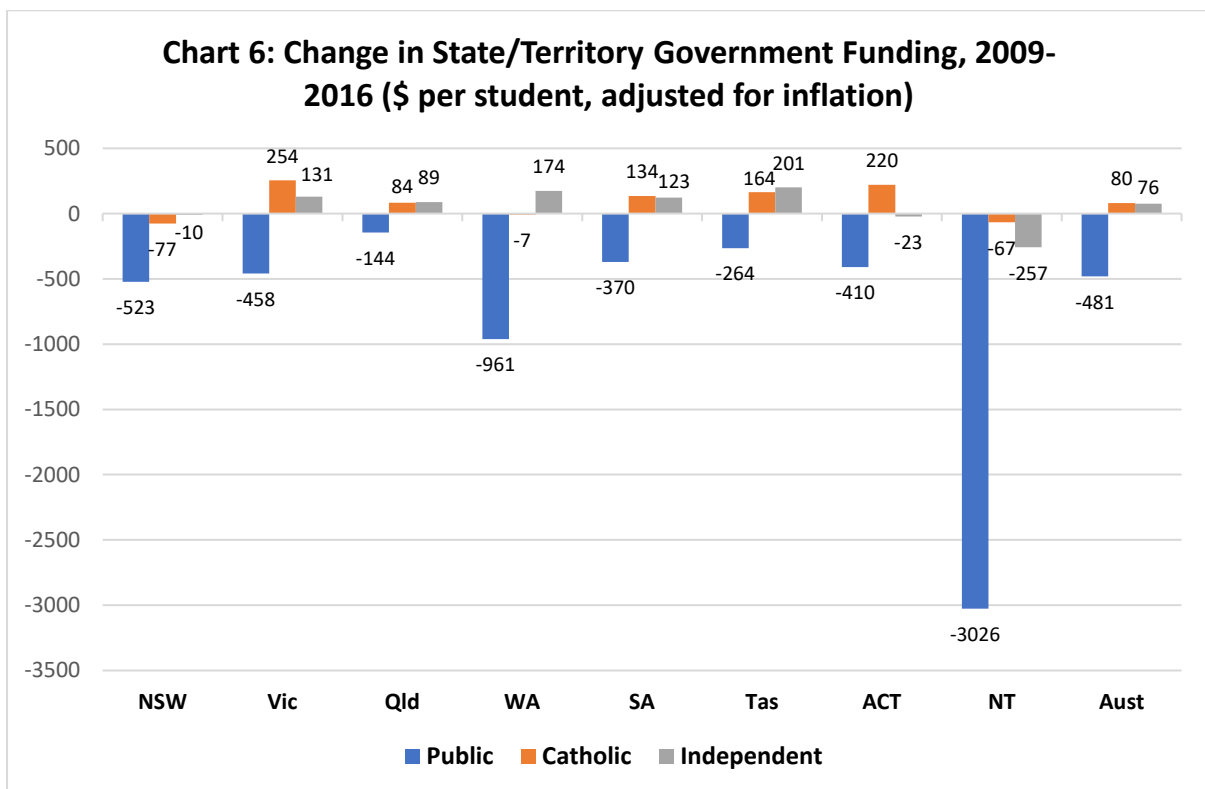
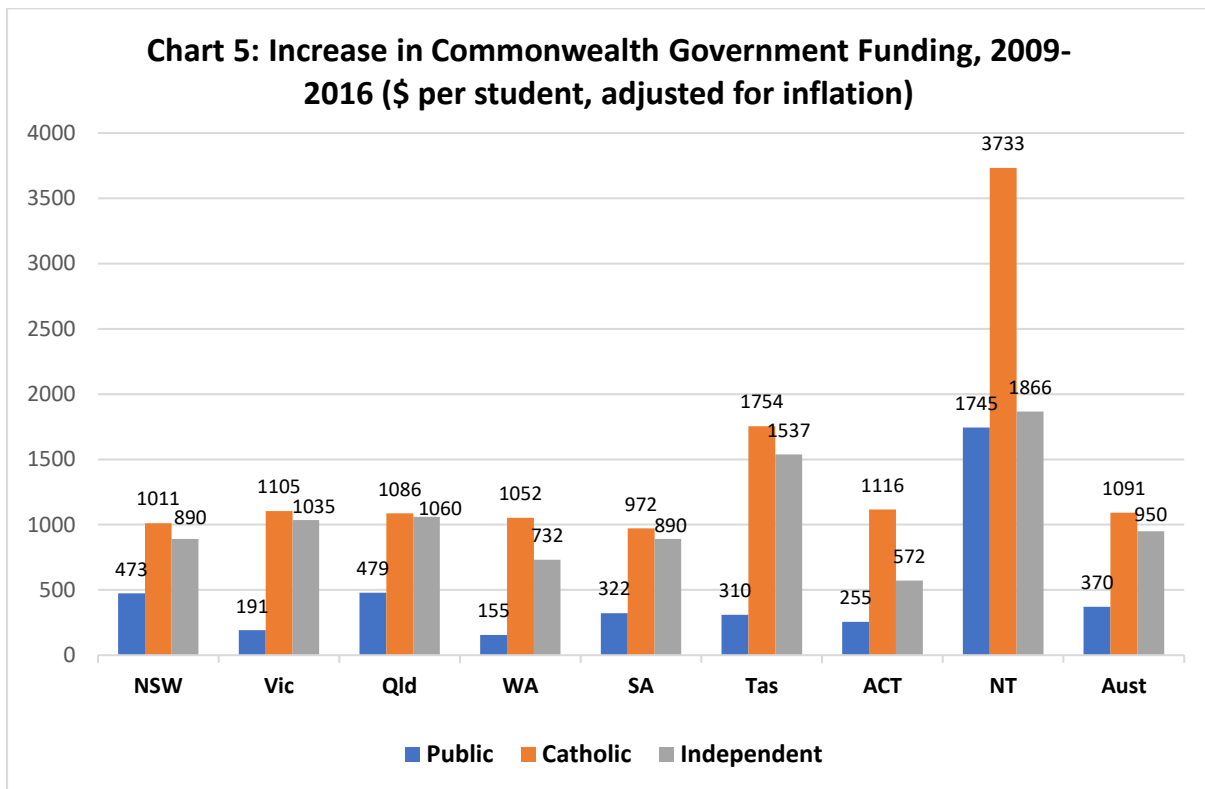
The Commonwealth increases for public schools ranged from \$155 per student (9.5%) in Western Australia to \$1,745 (87.2%) in the Northern Territory [Charts 5 & A3]. Commonwealth funding increases for Catholic and Independents schools were over double that for public schools in all states. The increase in Commonwealth funding for Catholic schools in Western Australia was over six times that for public schools and for Independent schools it was over four times that for public schools.

State government cuts to public school funding ranged from \$144 per student (-1.7%) in Queensland to a massive \$3,026 per student (-19.8%) in the Northern Territory [Charts 6 & A4]. Large funding cuts to public schools also occurred in every other jurisdiction: NSW (-\$523, -5.9%); Victoria (-\$458, -5.9%); Western Australia (-\$961, -8.4%); South Australia (-\$370, 4%), Tasmania (-\$264, 2.8%) and the ACT (\$410, 4%).

In contrast to their cuts to funding for public schools, the Victorian, Queensland, South Australian and Tasmanian governments increased funding for Catholic and Independent schools. The Western Australian Government increased funding for Independent schools and the ACT Government increased funding for Catholic schools.

The largest increases in state funding for Catholic schools were \$254 per student in Victoria, \$164 per student in Tasmania and \$220 per student in the ACT [Chart 6]. The cuts to Catholic school funding by the NSW, Western Australian and Northern Territory governments were far less than their cuts to public schools. NSW cut funding for Catholic schools by \$77 per student compared to \$523 per student in public schools; Western Australia cut funding for Catholic schools by \$7 per student compared to \$961 per student in public schools; and the Northern Territory cut Catholic school funding by \$67 per student compared to \$3,026 in public schools.

The largest funding increases for Independent schools were \$201 per student in Tasmania and \$174 per student in Western Australia. The cuts to Independent schools by the NSW, ACT and Northern Territory governments were far less than the cuts to public schools.



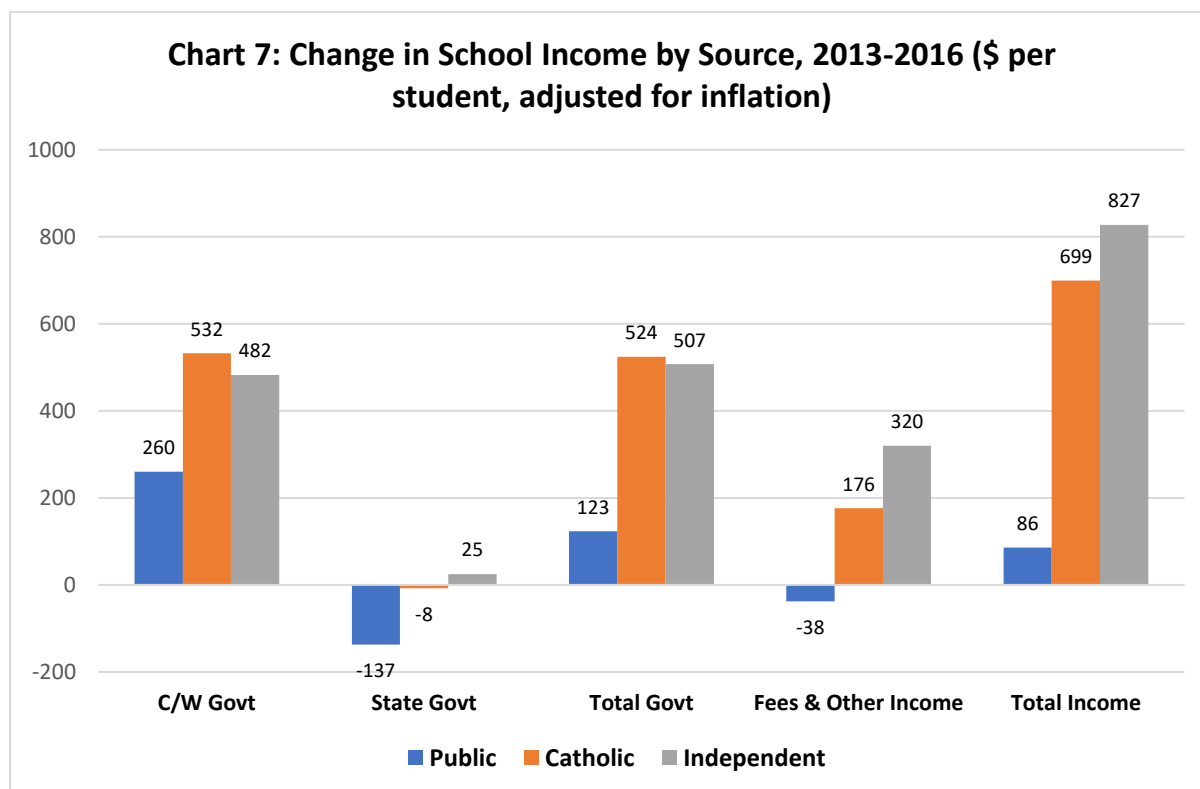
## 4. Total income of schools 2013 to 2016

The resource disparity between public and private schools also increased since 2013. The real total income per student in public schools increased by \$86 per student (0.8%) between 2013 and 2016 compared to an increase of \$699 (6.1%) in Catholic schools and \$827 (5.1%) in Independent schools [Chart 7].

In 2013, total real income per student in Independent schools was 48% higher than in public schools while the income per student of Catholic schools was 4% higher than in public schools. In 2016, total real income of Independent schools was 55% higher than that of public schools while the income of Catholic schools was 10% higher.

The increase in the resource advantage of private schools was mainly due to much larger government funding increases than for public schools (see below). Government funding provided 75% of the increase in Catholic school recurrent income, with the Commonwealth providing 76% of the increase and state governments cutting funding by a small amount. Government funding provided 61% of the increase in the recurrent income of Independent schools, with the Commonwealth providing 58% of the increase and state governments 3%.

In addition, the real income from fees and donations increased in Catholic and Independent schools but fell in public schools. Income from fees and donations for public schools fell by \$38 per student (-6.1%) but increased by \$176 (5.6%) per Catholic school student and by \$320 (3.4%) per Independent school student.



## 5. Government funding 2013 to 2016

### 5.1 Australia

The Gonski funding plan was introduced in January 2014. In the first three years of the plan (2013-16), real total government funding per student in Catholic and Independent schools increased by



over four times that in public schools. Total government funding for public schools across Australia increased by \$123 per student (1.2%) compared to an increase in Catholic schools of \$524 per student (6.3%) and \$507 per student (7.4%) in Independent schools [Charts 7 & A5].

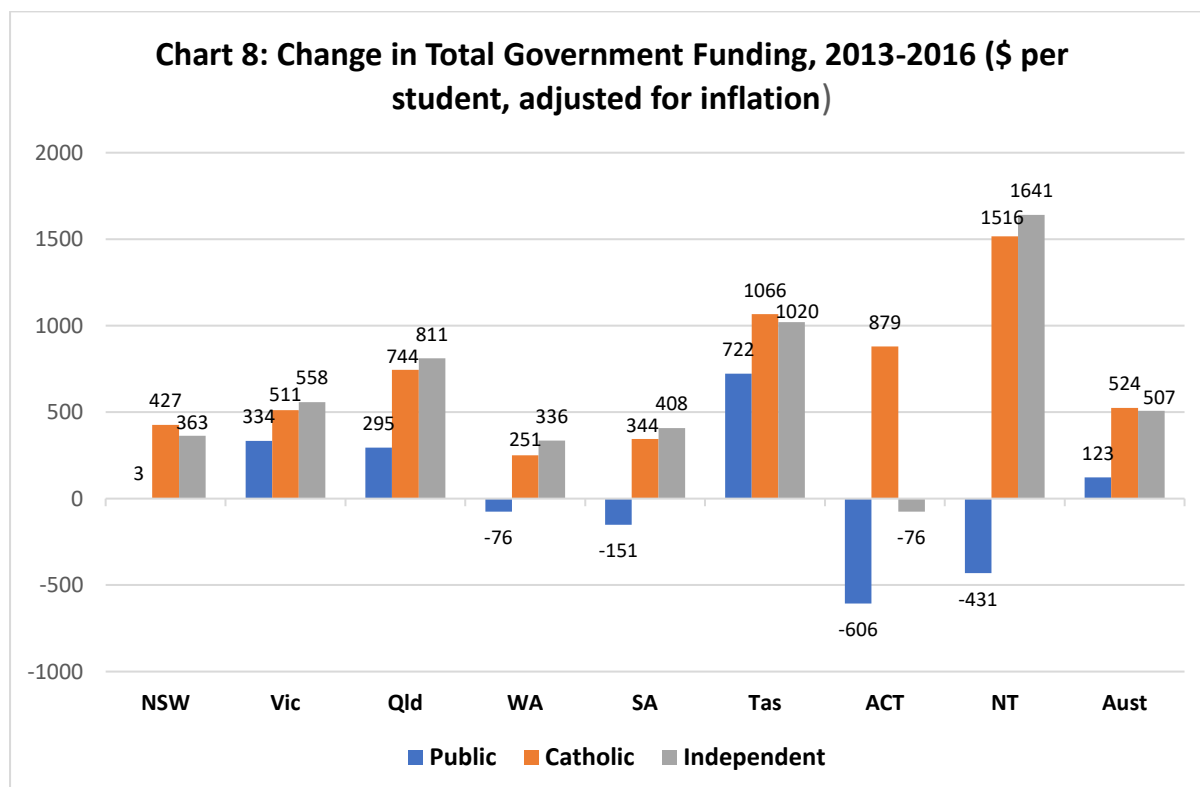
The smaller increase for public schools was due to a smaller increase in Commonwealth funding and a cut in state government funding. The Commonwealth funding increase for Catholic schools was double that for public schools and nearly double for Independent schools. Commonwealth funding for public schools increased by \$260 per student compared to \$532 per student in Catholic schools and \$482 per student in Independent schools. However, the increase for public schools was higher in percentage terms. Commonwealth funding for public schools increased by 15.2% compared to 8.4% for Catholic and 9.6% for Independent schools [Chart A5].

Despite three state governments signing the national education reform agreement to implement the Gonski funding model (NSW, South Australia and the ACT) and two other states agreeing in principle to the model (Victoria and Tasmania), state governments cut funding for public schools by an average of \$137 per student (-1.6%) while broadly maintaining their real funding for private schools. State government funding of Catholic schools was cut by only \$8 per student (-0.4%) while funding for Independent schools increased by \$25 per student (1.4%).

## 5.2 States and territories

Catholic and Independent schools received much larger increases in government funding than public schools between 2013 and 2016 in all states and territories [Charts 8 & A6]. Funding for public schools was cut in several states because of cuts in state government funding.

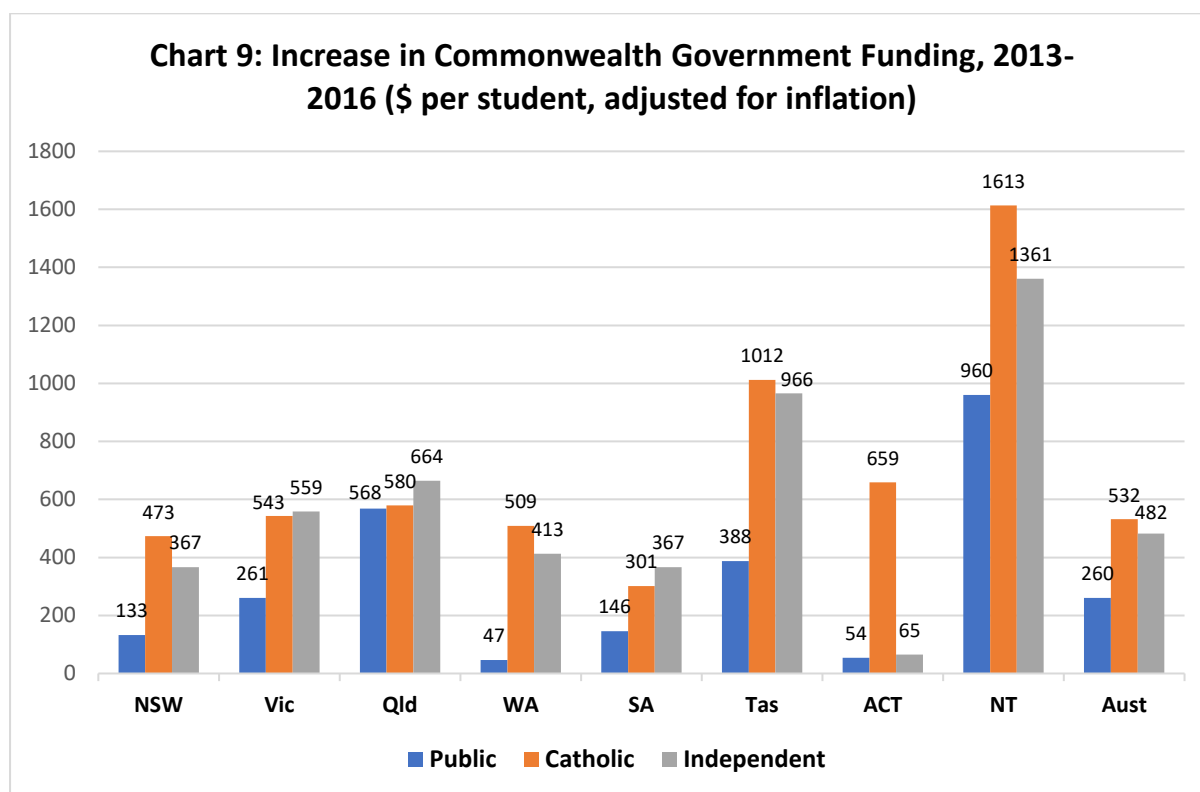
Large cuts to the funding of public schools occurred in the ACT and the Northern Territory, while funding was also cut in Western Australia and South Australia. Funding for ACT public schools fell by \$606 per student (4.9%) and by \$431 per student (-2.6%) in the Northern Territory. Funding was also reduced by \$76 per student (-0.6%) in Western Australia and by \$151 per student (-1.4%) in South Australia. There was virtually no change to the real funding of public schools in NSW.



There was a large funding increase for public schools in Tasmania of \$722 per student (4.9%) and substantial increases in Victoria (\$334 per student, or 3.8%) and Queensland (\$295 per student, or 2.9%). These increases were much smaller than the increases for Catholic and Independent schools in these states. In NSW, funding for public schools increased by \$3 per student compared to \$427 in Catholic schools and \$363 in Independent schools.

Commonwealth funding of public schools increased in all states, but by varying amounts [Charts 9 & A7]. The largest increases were in Queensland (\$568 per student, or 38.2%) and the Northern Territory (\$960 per student, or 34.4%). The smallest increases were in Western Australia (\$47 per student, or 2.7%) and the ACT (\$54 per student, or 3.1%). Substantial increases occurred in Victoria \$261, or 16%) and Tasmania (\$388, or 19.2%).

Commonwealth funding increases for Catholic and Independent schools were much larger than for public schools in all states except Queensland, where the increase for Catholic schools was similar to public schools, and the ACT where the increase for Independent schools was similar to that for public schools. Generally, the increases for private schools were about double or more than for public schools. In the ACT, the increase for Catholic schools was over ten times that for public schools. However, Commonwealth funding increases for public schools in Victoria, Queensland, South Australia, Tasmania and the Northern Territory were larger than for private schools in percentage terms and similar to that of private schools in NSW [Chart A7].

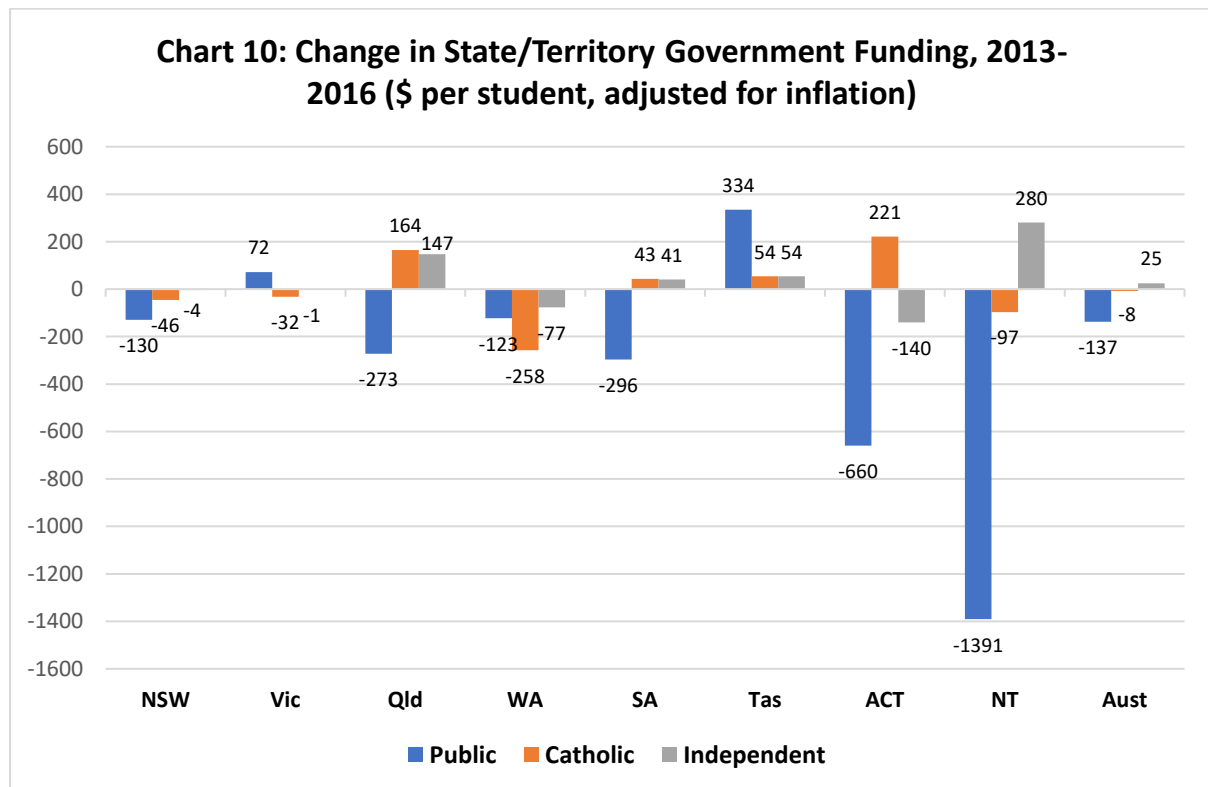


Six state governments cut funding of public schools during the Gonski funding period. The largest cuts were made by the ACT and Northern Territory governments - \$660 per student (6.2%) in the ACT and a massive \$1,391 (10.2%) in the Northern Territory [Charts 10 & A8]. Substantial cuts were also made by the Queensland and South Australian governments - \$273 (3.1%) and \$296 (3.2%). The NSW Government cut funding for public schools by \$130 per student (1.5%) and the Western Australian Government cut funding by \$123 (1.2%).

In contrast to these cuts, the Victorian Government increased funding for public schools by \$72 per student (1%) and the Tasmanian Government increased funding by \$334 per student (3.8%).

Several states also cut funding to Catholic and Independent schools, but they were generally much smaller than for public schools in the same jurisdiction. Catholic school funding was cut by small amounts in NSW (-\$46 per student, -2.1%), Victoria (-\$32, -1.7%) and the Northern Territory (-\$97, 3.6%) while a substantial cut was made in Western Australia (-\$296, -9.6%). Funding for Independent schools was cut by very small amounts in NSW (-\$4, 0.2%) and Victoria (-\$1, -0.1%) and larger cuts occurred in Western Australia (-\$77, -3.2%) and the ACT (\$140, 8.5%).

Several states increased funding for Catholic and Independent schools. In contrast to its substantial cut to public school funding, the Queensland Government increased its funding of private schools – Catholic schools by \$164 per student and \$147 per student in Independent schools. South Australian governments increased funding for Catholic and Independent schools by small amounts (\$43 & \$41 per student respectively) while cutting funding to public schools. The ACT Government increased funding for Catholic schools by \$221 per student while cutting funding to public and Independent schools. The Northern Territory government increased funding for Independent schools by \$280 per student while cutting funding to public and Catholic schools.



## 6. Conclusion

The new school funding figures show that public schools continue to lose out in the funding stakes, despite the introduction of the Gonski funding model in 2014. Real government funding increases since 2009 have strongly favoured private schools. Since the introduction of the Gonski model, government funding increases for public schools have continued to lag far behind those for Catholic and Independent schools.

While Commonwealth funding increases continued to favour private schools, state governments spectacularly failed in their responsibility to adequately support public schools. Even during the

Gonski plan years, six of the eight state governments continued to cut real funding for public schools. They were encouraged in this by the Abbott Government's decision to release them from any obligation to increase funding in line with Commonwealth increases as initially planned under the Gonski model.

Government funding increases since 2009 have been mis-directed to the most advantaged school sectors while the most disadvantaged sector has been starved of the funds needed to address the serious challenges it faces. It is an appalling social injustice and a drag on Australia's economic growth and prosperity.

Disadvantaged students in Australia are two to four years of learning behind their advantaged peers by age 15. The vast majority attend public schools; only a small proportion attend private schools. Figures provided to Senate Estimates by ACARA last year show that 85% of students from the lowest socio-educational advantage (SEA) quartile were enrolled in public schools in 2016 compared to 12% in Catholic schools and only 4% in Independent schools [[Senate Education and Employment Committee, Additional Estimates 2016-2017](#), Answer to Question on Notice No. SQ17-000250]. [ABS data](#) show that in 2017, 84% of all Indigenous students attended government schools while 10% attended Catholic schools and 7% attended Independent schools. Department of Education figures supplied to Senate Estimates show that 81% of remote area students attended public schools in 2016 compared to 13% in Catholic schools and 6% in Independent schools [[Senate Education and Employment Committee, Additional Estimates 2016-2017](#), Answer to Question on Notice No. SQ17-000234].

The Gillard Government made a brave attempt to reduce disadvantage in education through an integrated national school funding model supported by a large increase in funding targeted at need. It was brought undone by delaying the increase in funding, its special deals to continue massive overfunding of private schools and sabotage by the Coalition in opposition and in government.

Prospects for change are bleak. The Turnbull Government has abandoned the concept of a national school funding model and reverted to separate funding roles for the Commonwealth and the states. Its new funding arrangements guarantee future funding increases for private schools but not for public schools because this is left to state governments which are responsible for about 80% of the funding of public schools.

The Turnbull Government has capped Commonwealth funding of public schools at 20% of their Schooling Resource Standard (SRS), but state but state government funding is well below 80% of the SRS everywhere except Western Australia and the ACT. Public schools are likely to remain significantly under-funded unless state governments reverse their past practices of substituting Commonwealth funding for their own or relying on the Commonwealth to increase funding for public schools. If there is no increase in the state share, public schools in NSW will be funded at 91% of their SRS in 2027, only 86% in Victoria, 93% in Queensland, 92% in South Australia, 96% in Tasmania and only 87% in the Northern Territory.

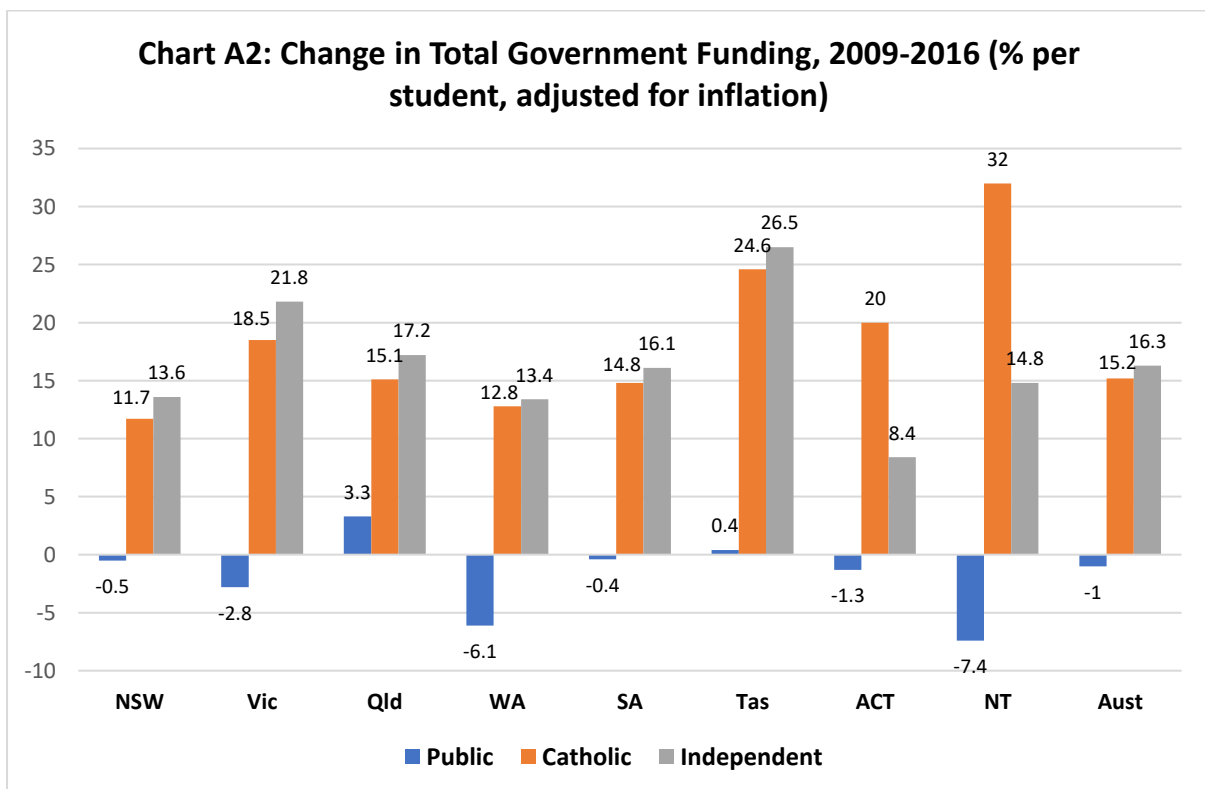
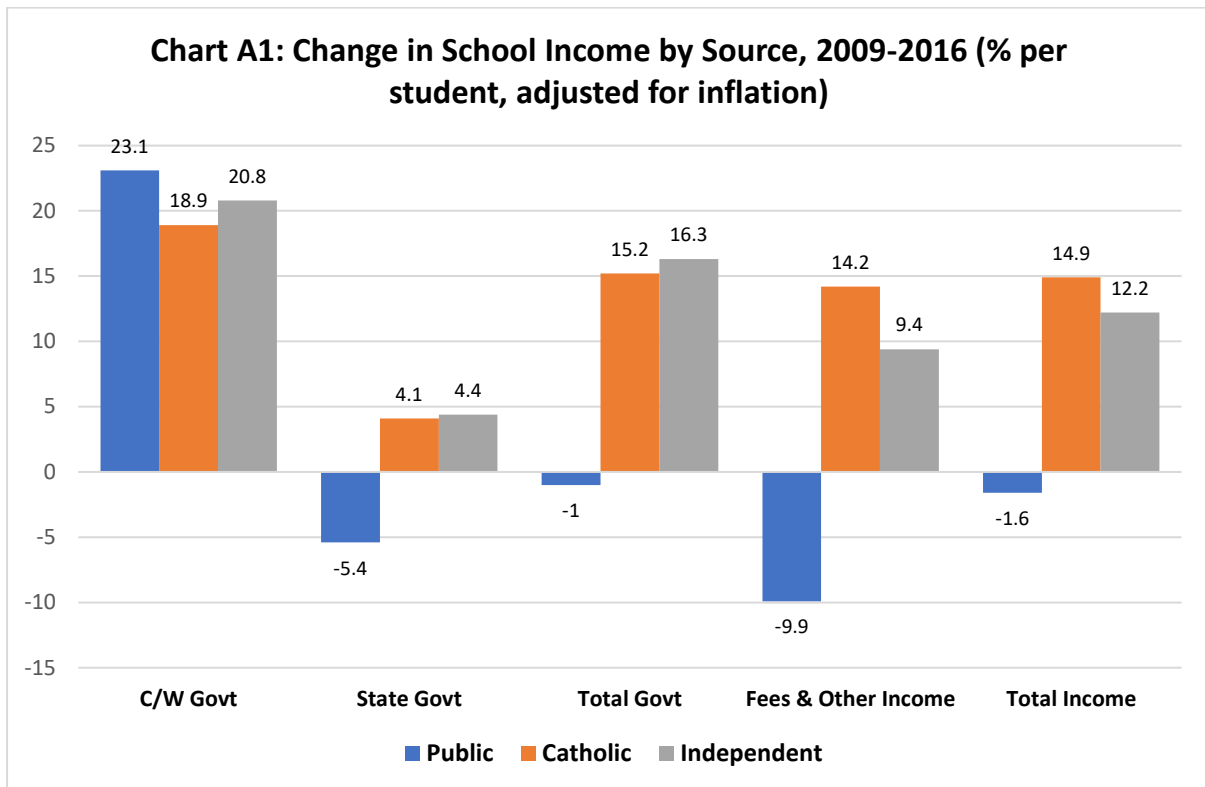
In contrast, 66% of all Independent schools and systems will be funded at over their SRS by 2027, and some by very large amounts, unless state governments cut funding to this sector. This overfunding will occur because the Turnbull Government is increasing funding for private schools to 80% of their SRS while nearly all are already funded at over 20% of their SRS by state governments. Independent schools in NSW will be funded at 107% of their SRS, in Western Australia at 109% of their SRS and in the ACT at 113% of their SRS. In Victoria, Queensland, South Australia and the Northern Territory they will be funded at their SRS or slightly above.

Catholic systemic schools will be well-served as well, despite their complaints. Catholic schools in six states and territories will be at or slightly above 100% of their SRS by 2027, although the Western Australian system will be funded at 108% of its SRS. Schools in the other two states will be funded at only slightly below 100% of their SRS.

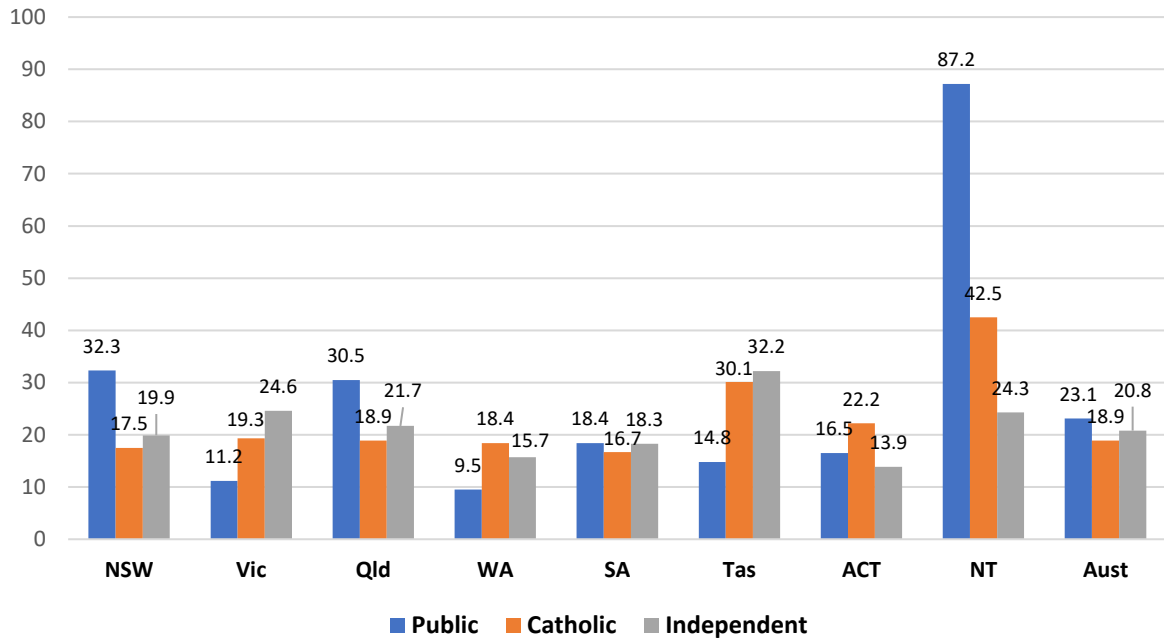
The Minister for Education, Simon Birmingham, says that the states will be required to contribute at least 75% of the SRS for public schools by 2023 as a condition of Commonwealth funding. However, there is no certainty that they will be held to this requirement as it is subject to negotiations with the states. Even if the states agree and deliver on the requirement, public schools will be operating at only 95% (75% + 20%) of their SRS.

There is little prospect that public schools will be properly funded to meet their challenges in the foreseeable future. It points to the need to continue to advocate for a nationally integrated funding model directed at reducing disadvantage in education, ending special deals and over-funding of private schools, and boosting funding for public schools.

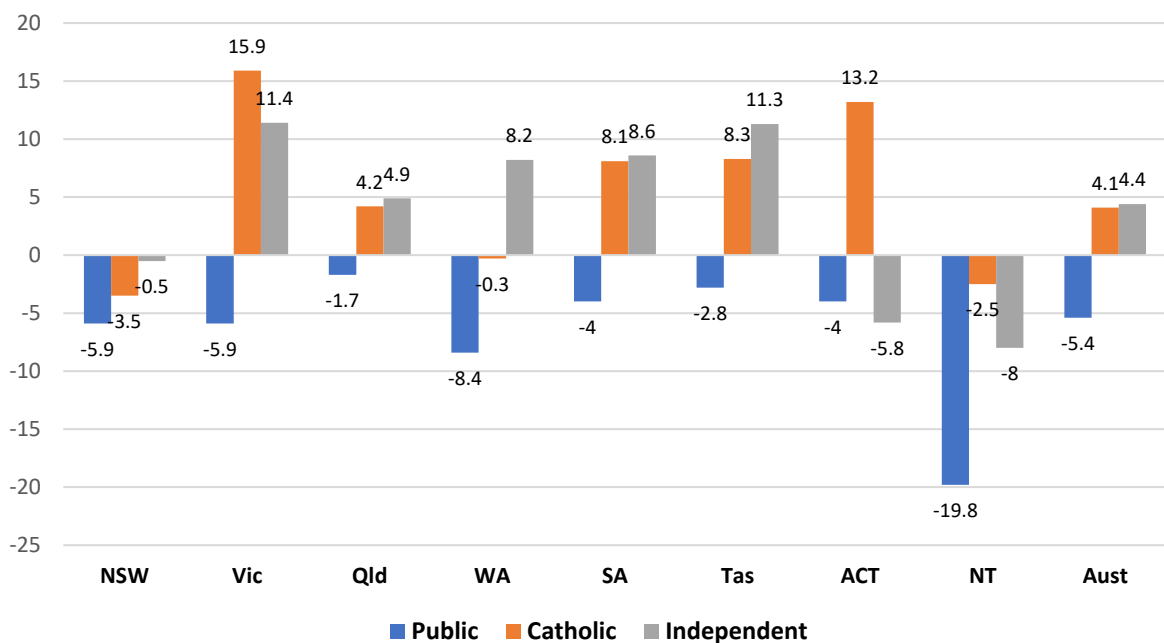
**Attachment A: Charts on Percentage Changes in School Income and Government Funding, 2009-2016**



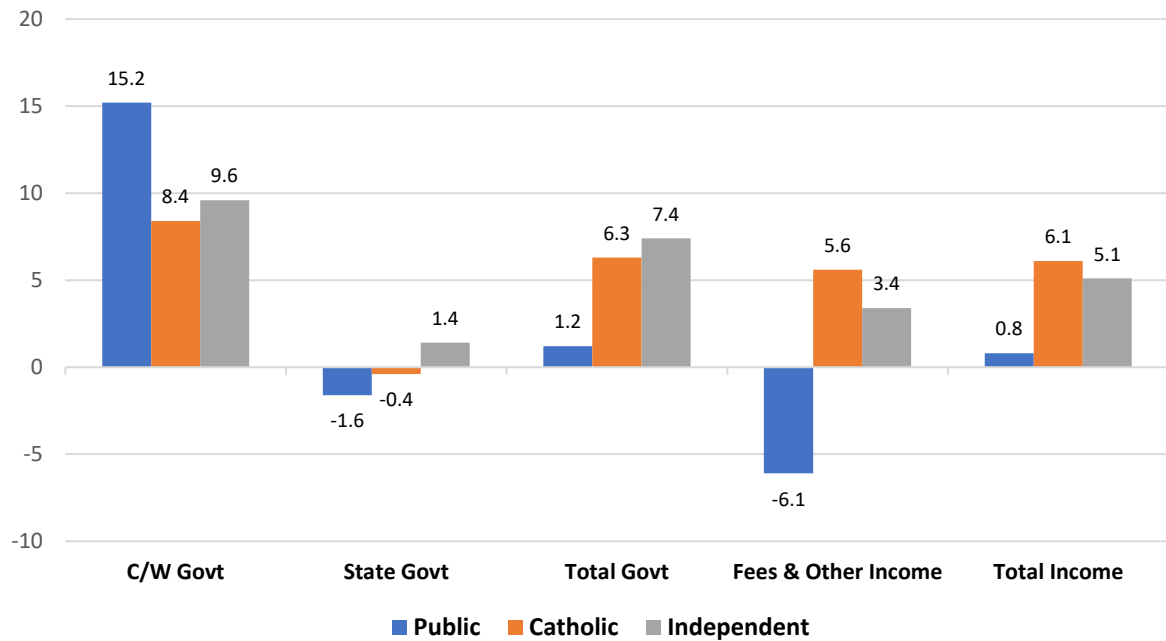
**Chart A3: Increase in Commonwealth Government Funding, 2009-2016 (% per student, adjusted for inflation)**



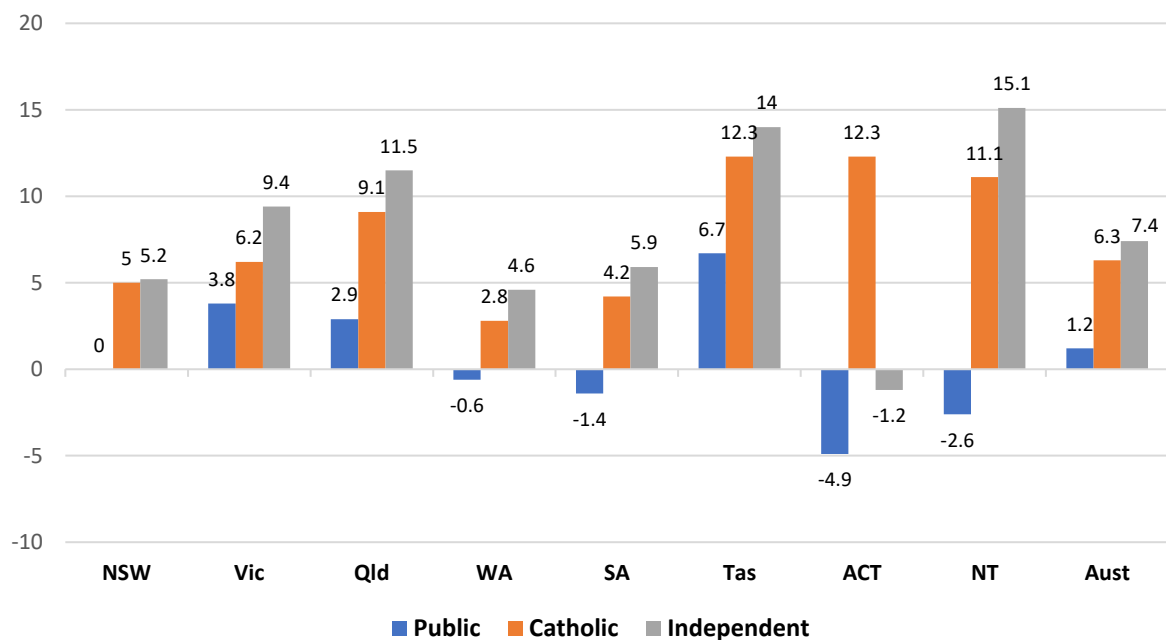
**Chart A4: Change in State/Territory Government Funding, 2009-2016 (% per student, adjusted for inflation)**



**Chart A5: Change in School Income by Source, 2013-2016 (% per student, adjusted for inflation)**

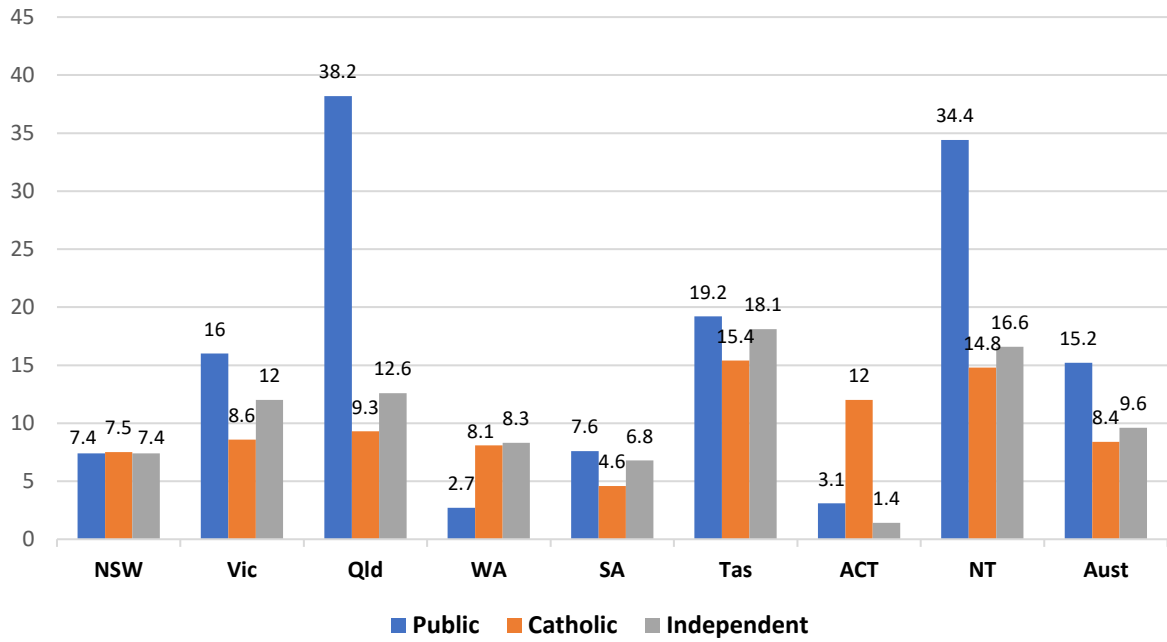


**Chart A6: Change in Total Government Funding, 2013-2016 (% per student, adjusted for inflation)**

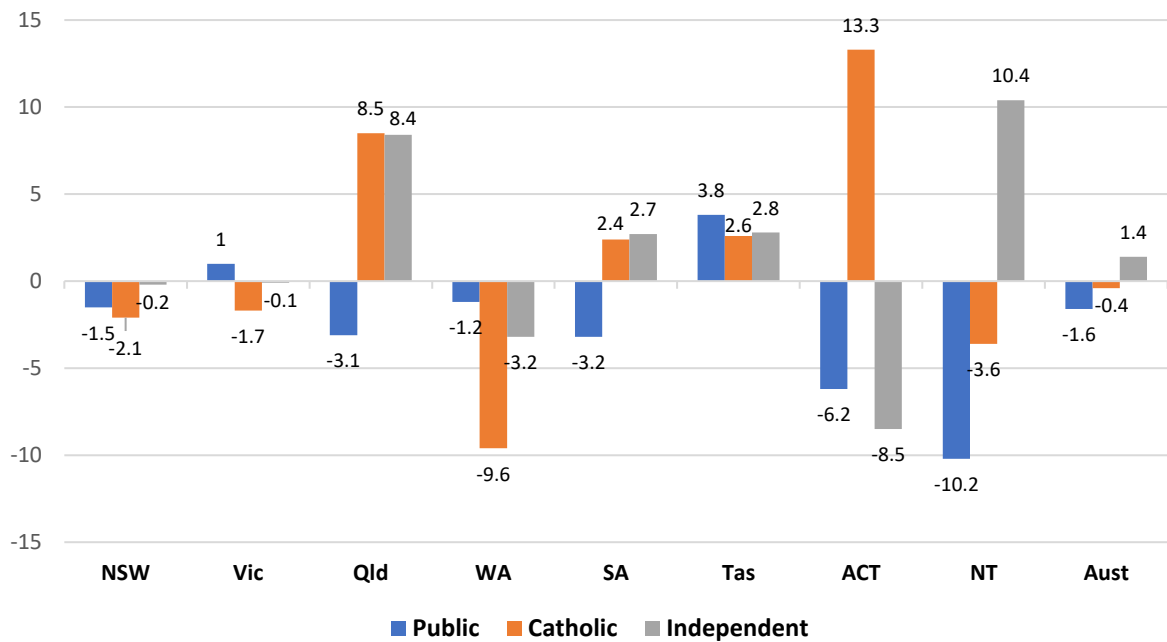




**Chart A7: Increase in Commonwealth Government Funding, 2013-2016 (% per student, adjusted for inflation)**



**Chart A8: Change in State/Territory Government Funding, 2013-2016 (% per student, adjusted for inflation)**



## Attachment B: Data sources and methodology

Data on school income and government funding in current dollars for 2009 to 2016 is published by ACARA on its [National Report on Schooling data portal](#).

### Adjustment for rising costs

The current dollar income and funding figures have been adjusted for rising costs by a combined index of the [Wage Price Index \(WPI\)](#) for private and public education and training and the [Consumer Price Index \(CPI\)](#) published by the Australian Bureau of Statistics.

According to the Commonwealth Department of Education and Training [[Submission to the Senate Select Committee into the Australian Education Amendment Bill 2017](#), May 2017, p. 13] historical school education expenditure shows that wages comprise 70-74% of private school operating costs and approximately 80% of public school operating costs. Following this, a composite index of 70%WPI and 30%CPI is used here to adjust private school income and funding figures for rising costs. However, the public school percentage is under-estimated because it is based on official figures that include user cost of capital, depreciation, payroll tax and school transport. These items are not included in the total recurrent expenditure for private schools. When adjusted for these items, wages constitute about 85% of total recurrent costs of public schools. A composite index of 85%WPI and 15%CPI is used here to adjust the income of public schools for rising costs.

### Gross and net current income

ACARA publishes figures for both gross and net recurrent income for public and private schools. The difference in income per student between public and Independent schools is less for net income per student while Catholic schools have slightly lower net income than public schools. Net income excludes income allocated to current and future capital projects and income allocated to debt servicing. The reason these items are excluded is that private schools must provide for part of their capital expenditure out of current income whereas capital expenditure for public schools is funded separately by government.

However, it is well known that many non-systemic Catholic schools and many Independent schools give high priority to upgrading their capital facilities (multiple sporting ovals, indoor swimming pools, gymnasiums, tennis courts, auditoriums, wellness centres, equestrian centres, etc.) as a way of marketing their school and attracting enrolments. Indeed, many have referred to this competition as an “arms race”. These lavish facilities provide a considerable advantage for private schools in attracting enrolments from public schools. In contrast, capital expenditure on public schools is confined to providing a base standard of facilities. Governments do not provide funding for multiple sporting ovals, indoor swimming pools, gymnasiums, tennis courts, auditoriums, wellness centres and equestrian centres in public schools.

While private schools are prohibited from using recurrent funding for capital purposes, increasing recurrent government funding allows private schools to reduce the proportion of income from fees and donations devoted to staff and other recurrent costs and direct more of this income to capital projects. Exclusion of recurrent income allocated to plush, over-standard school facilities from income comparisons of schools reduces the apparent funding advantage of Catholic and Independent schools over public schools, even though expenditure of this income provides a significant advantage for these private schools.

The total income of Catholic and Independent schools is also under-estimated by the exclusion of several items from the figures. While the total income of public and private schools includes notional allocations for various central administration costs, a number of other items are excluded which are of considerable financial benefit to private schools such as the cost of tax deductible donations, the

cost of Australian and state government administration of private school funding and the cost of private school regulation by state governments.

Most private schools offer tax deductibility on contributions to building and library funds set up by the school and allows parents of private school students to reduce the level of personal tax they pay. This cost to government is not included in private school income. The Commonwealth Government administers the large part of government funding of private schools, but the cost of this is not included in private school income whereas the cost of state/territory government administration of public schools is notionally allocated to schools. In addition, the cost of state government services and regulation of private schools, such as school registration and accreditation, are not included as part of their income.

The exclusion of private school own-funding of over-standard school facilities and the exclusion of several Commonwealth and state government costs for administration and services specifically related to private schools means that the current measure of net recurrent income under-estimates the real resources available to private schools compared to public schools. On the other hand, the inclusion of private school own funding of standard facilities in total recurrent income over-estimates the income of private schools compared to public schools. Given these considerations, it is likely that total recurrent income is a reasonably comparable measure of public and private school income. For this reason, gross income is used here to compare the total income of private schools instead of net income.