

**SAVE OUR SCHOOLS**

## **Closing the Gaps**

**An Analysis of Government and Private School  
Expenditure and the Challenge of Education Disadvantage  
in Australia**

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## Key Findings

- ◆ Government schools are severely under-resourced in comparison to Catholic and Independent schools in terms of the extent of education disadvantage they face.
- ◆ Total expenditure per student in government schools (\$10,723) in 2007-08 was much lower than in Independent schools (\$15,147) and similar to Catholic schools (\$10,399). Average total expenditure for all private schools was \$12,303 per student.
- ◆ Total expenditure per student (adjusted for inflation) increased by much more in Catholic (\$1,739) and Independent schools (\$2,207) between 1998-99 and 2007-08 than in government schools (\$1,147).
- ◆ The gap in total expenditure between government and Independent schools has more than doubled since 1998-99 while the gap between government and Catholic school expenditure decreased by more than half.
- ◆ Government schools are the main provider for educationally disadvantaged students. The vast majority of low income, Indigenous, provincial and remote area, and disability students attend government schools. These students comprise a much larger proportion of enrolments in government schools than in private schools.
- ◆ There are very large achievement gaps between students from low and high socio-economic status (SES) families; between Indigenous and non-Indigenous students; and between provincial and remote area students and metropolitan students.
  - The gaps between high SES students and Indigenous and provincial and remote area students are also very large.
- ◆ Total government funding for Independent schools increased by 112% since 1998-99 and by 84% for Catholic schools compared to 67% for government schools, despite the much lower levels of education disadvantage in private schools.
  - Government funding for many elite private schools in NSW and Victoria has increased by over 200% since 2001 compared to 60-70% for NSW and Victorian government schools.
- ◆ Federal and state governments have given greater priority to supporting privilege in education over the last decade than to eliminating disadvantage and inequity in education.
  - The wealthiest private schools in Australia continue to receive government funding of \$2,000-\$4,000 per student despite having 2 to 3 times the resources of government schools and negligible levels of education disadvantage.
  - Federal Government funding for the wealthiest schools in Australia is 4 to 8 times more than the additional funding it provides to low SES schools.
- ◆ The total additional funding required for government schools to close the achievement gap between low SES students and the average for all students in Australia is estimated as \$6.3 – \$9.2 billion a year. Double this amount is needed to close the achievement gap between rich and poor.
  - In comparison, only \$266 million a year is to be provided through the Smarter Schools National Partnership programs for low SES government schools and literacy and numeracy improvement.

## Summary

This paper provides three new perspectives on government and private school expenditure in Australia:

- It removes some of the incompatibilities of officially published figures and provides a more accurate comparison of expenditure per student in the two sectors than has been available to date [see Appendix A].
- It examines total expenditure in government and private schools in relation to the extent of education disadvantage in the two sectors.
- It estimates the additional funding needed for government schools to reduce the gap between the results of low SES students and the average for all students as well as the additional funding needed to close the large achievement gap between rich and poor.

### **Private schools are better resourced than government schools**

Total expenditure per student in government schools in Australia is much lower than in Independent schools and similar to that in Catholic schools. Average total expenditure in Independent schools in 2007-08 was \$15,147 per student compared to \$10,723 per student in government schools and \$10,399 per student in Catholic schools [Chart 1, Table B1]. The average total expenditure for all private schools was \$12,303.

Many elite private schools in Australia have total annual resources of between \$24,000 and \$30,000 per senior secondary student, which is double or more that available to government secondary schools.

The gap in total expenditure between government and Independent schools has more than doubled since 1998-99 while the gap between government and Catholic school expenditure decreased by more than half. The expenditure advantage of Independent schools over government schools increased from \$1,971 (in current \$'s) in 1998-99 to \$4,424 per student in 2007-08 [Table B1]. The expenditure advantage of government schools over Catholic schools decreased from \$852 to \$324 per student.

The above figures remove some major incompatibilities in the way government and private school expenditure are measured, but they are still likely to significantly under-estimate private school expenditure in comparison with government schools because:

- Expenditure on school transport by governments is included in government school expenditure but not in private school expenditure. In 2007-08, school transport expenditure in NSW and Queensland was \$402 and \$220 per student respectively.
- Private school expenditure does not include government expenditure on administration of funding and regulation of private schools and expenditure on shared government services for private schools, whereas these items are included in government school expenditure.
- The expenditure figures do not include the cost to government of tax deductible donations, which are much more significant for private schools than government schools.

Government school expenditure does not include the use made of parent financial contributions, but these are very small. For example, they amounted to \$72 per student in NSW and \$31 per student in Queensland in 2009.

Total expenditure (adjusted for inflation) by private schools increased by much more than in government schools between 1998-99 and 2007-08. Government school expenditure increased by \$1,147 per student compared to increases of \$1,739 and \$2,207 per student in Catholic and Independent schools respectively [Chart 2, Table B2]. The increase in Independent schools was nearly double that in government schools while the increase in Catholic schools was 52% more.

Total expenditure per student (adjusted for inflation) in government schools increased by 1.9% a year compared to 3.1% a year for Catholic schools between 1998-99 and 2007-08 and 2.6% a year in Independent schools [Table B2].

### **Education disadvantage is greater in government schools**

Government schools have to do more with their resources than Catholic and Independent schools because the extent of education disadvantage is much greater in government schools than in private schools.

Government schools are the main provider for educationally disadvantaged groups. The vast majority of low income (77%), Indigenous (86%), disability (80%), provincial (72%) and remote/very remote area (83%) students attend government schools [Chart 3].

Educationally disadvantaged students comprise a much larger proportion of government school enrolments than in private schools:

- Students from low income families comprised 40% of government school enrolments in 2006 compared to 25% in Catholic schools and 22% in Independent schools [Chart 4];
- Only 27% of government school enrolments were from high income families compared to 43% of Catholic school enrolments and 53% of Independent school enrolments [Chart 5];
- Indigenous students accounted for 5.7% of government school enrolments in 2008 compared to 1.9% in Catholic schools and 1.6% of Independent school enrolments [Chart 6];
- Students in provincial areas comprised 28% of government school enrolments in 2008 compared to 21% of private school enrolments [Chart 7].
- Students from remote/very remote areas comprised 2.9% of government school enrolments in 2008 compared to 1.5% of Catholic school enrolments and 0.7% of Independent enrolments [Chart 8].
- Students with disabilities comprised 5.5% of all government school enrolments in 2008 compared to 3.3% of Catholic school enrolments and 1.9% of Independent school enrolments [Chart 9];

Overall, the extent of education disadvantage in government schools in Australia is much greater than in private schools. Low income, Indigenous and disability students comprise over 50% of government school enrolments compared to 30% in Catholic and 26% in Independent schools [Chart 10]. The extent of education disadvantage in government schools is 1.7 times that in Catholic schools and almost double that in Independent schools [Chart 11].

There are large achievement gaps between low socio-economic status (SES) and high SES students; between Indigenous and non-Indigenous students; and between provincial and remote area students and metropolitan students [Charts 12 & 13]:

- In 2006, 22-23% of low SES students did not achieve international proficiency standards in reading, mathematics and science compared to only 5% of high SES students. On average, low SES 15 year-old students are 2-2½ years behind high SES students. Low SES students enrolled in low SES schools are nearly four years behind students from high income families in high SES schools.
- 38-40% of 15 year-old Indigenous students did not achieve international proficiency standards in reading, mathematics and science in 2006 compared to 12% of all Australian students. On average, 15 year-old Indigenous students are 2-2½ years behind non-Indigenous students.
- In 2006, 24-28% of 15 year-old students in remote and very remote areas did not achieve expected international proficiency levels in reading, mathematics and science compared to 12% of metropolitan students. On average, remote and very remote area students are about 18 months in learning behind metropolitan students.
- 17, 20 and 13% of provincial area students did not achieve international proficiency standards in reading, mathematics and science, respectively, in 2006 compared to 12% of metropolitan students. Provincial area students are about six months or less behind metropolitan students.

Apart from the large achievement gap between low and high SES students there are also large gaps between Indigenous and provincial and remote area students and high SES students [Chart 14]:

- On average, 15 year-old Indigenous students are about 3½ years behind high SES students.
- Remote and very remote area students are about 2½ years behind high SES students.
- Provincial area students are about 18 months behind high SES students.

These large achievement gaps are a grave social injustice and a waste of talents and resources. They curb productivity growth and lead to higher expenditure on health, welfare and crime. Closing the gaps is the major challenge and priority for Australian governments. Low SES, Indigenous, and provincial and remote area students should achieve similar outcomes to students from high SES families.

### **Government funding increases have favoured privilege over disadvantage**

Australian government funding policies have favoured privilege over disadvantage for the last decade. Despite the higher level of education disadvantage in government schools, the largest percentage increases in government funding (federal, state and territory) have gone to private schools. Schools serving the wealthiest families in Australia continue to receive large and increasing amounts of government funding.

The most privileged school sector – Independent schools – received the largest increase in government funding over the last decade. Between 1998-99 and 2007-08, government funding per student in Independent schools increased by 112%, 84% for Catholic schools and 67% for government schools [Chart 15]. The average increase for all private schools was 89%. The percentage increase for Independent schools was over 1½ times the increase for government schools.

Many high fee private schools have total expenditure per student which is two to three times that in government schools, yet they receive \$2,000-\$4,000 per student in Federal Government funding. For example, the most expensive private school in Australia, Geelong

Grammar with Year 12 fees of nearly \$28,000, will get \$3,456 per student in federal funding in 2010. King's School, one of the most expensive schools in Sydney with Year 12 fees of nearly \$25,000, will get \$3,211 per student.

In contrast, the additional federal funding to be provided to disadvantaged schools under the Smarter Schools National Partnership program is less than \$500 per student. Thus, Federal Government funding for high fee private schools is 4 to 8 times greater than the additional funding provided to disadvantaged schools.

Moreover, Federal Government funding per student in many elite schools increased by 100-200% and more since 2001 compared to increased funding (federal, state and territory) for government schools of 67% since 1998-99 [Charts 16 & 17]. For example, it increased by 236% for Kings School and 268% for Geelong Grammar.

Thus, huge increases in government funding have gone to the wealthiest and least needy schools in Australia, while those most in need – government schools – continue to be denied the funding they require to provide an adequate education for all their students.

Supporting privilege is seen by governments as more important than eliminating disadvantage and inequity in education. It is a policy which extends the advantages obtained from a wealthy background rather than reducing them. It effectively places more value on enriching the lives of those from privileged backgrounds than those who are not as well favoured in society.

This is indefensible in a society that calls itself a democracy. A fundamental change in the funding priorities of Australian governments is required to close the achievement gaps in education. A massive funding increase for government schools is needed to transform our high quality, low equity education system into a high quality, high equity system.

### **Government schools need a massive funding boost**

Overseas research studies show that the additional expenditure required for low income students to achieve at adequate levels is 100-150% more than the cost of educating an average student.

If average government school expenditure is used as this benchmark, some 22-33 times the level of funding for low SES government schools provided through the Smarter Schools National Partnership program is needed to close the achievement gap between low SES students and the average for all students in Australia. This amounts to at least an additional \$6.3 - \$9.2 billion a year. Double this amount (\$13.6 – 18.4 billion) is needed to close the achievement gap between low and high SES students.

An alternative measure of the funding needed to address disadvantage in learning in Australia is to apply the ratio of targeted equity enrolments in the government and private sectors to the average level of resources in private schools. As government schools have 1.8 times the learning need of all private schools, they should receive 1.8 times the level of average private school expenditure. On this basis, additional funding for government schools of \$26 billion per year is required to resource government schools to the level of private schools taking into account the greater extent of education disadvantage in the government sector.

Whatever, benchmark is used, it is clear that a massive funding increase for government schools is needed to close achievement gaps in Australia and turn our high quality, low equity school system into a high quality, high equity system.

# 1. Introduction

This paper provides three new perspectives on total expenditure per student in government and private schools in Australia. First, it provides new estimates of the level of expenditure and increases in expenditure over the past decade in the two school sectors. Second, it considers total expenditure in relation to education disadvantage in the two school sectors and, third, it provides estimates of the additional funding needed for government schools to reduce the achievement gap between students from low and high socio-economic status (SES) families.

The total resources available to schools to address education disadvantage is critical to reducing achievement gaps. Schools with low or medium total expenditure but with high levels of education disadvantage should have greater priority in government funding programs. Schools with high total expenditure and low levels of education disadvantage should receive less priority.

The paper provides a new perspective on government and private school expenditure by removing some of the incompatibilities of officially published figures. There are many differences in the way official figures are compiled for the two sectors [see Appendix A1]. For example, official government school expenditure figures are reported on a financial year basis while private school expenditure is reported on a calendar year basis; an imputed user cost of capital is included in government schools expenditure but not for government land and capital grants to private schools; actual or notional payroll tax is included in government school expenditure while private schools are exempt from payroll tax; school transport expenditure is included in government school expenditure but not in private school expenditure.

The figures published in this paper have been adjusted where possible to improve the comparability of government and private school expenditure [see Appendix A2]. Private school expenditure has been converted to a financial year basis and government school expenditure has been adjusted to exclude the imputed user cost of capital and payroll tax. Depreciation has been excluded from the government school figures and direct capital expenditure included. The data sources used are provided in Appendix C.

However, it is not possible to ensure full comparability of the figures and many differences remain. In particular, official figures are not available for government school student transport, the revenue cost to government of tax deductible donations in government and private schools, expenditure on administration of funding and regulation of private schools, expenditure on shared government services for private schools and expenditure of private financial contributions to government schools.

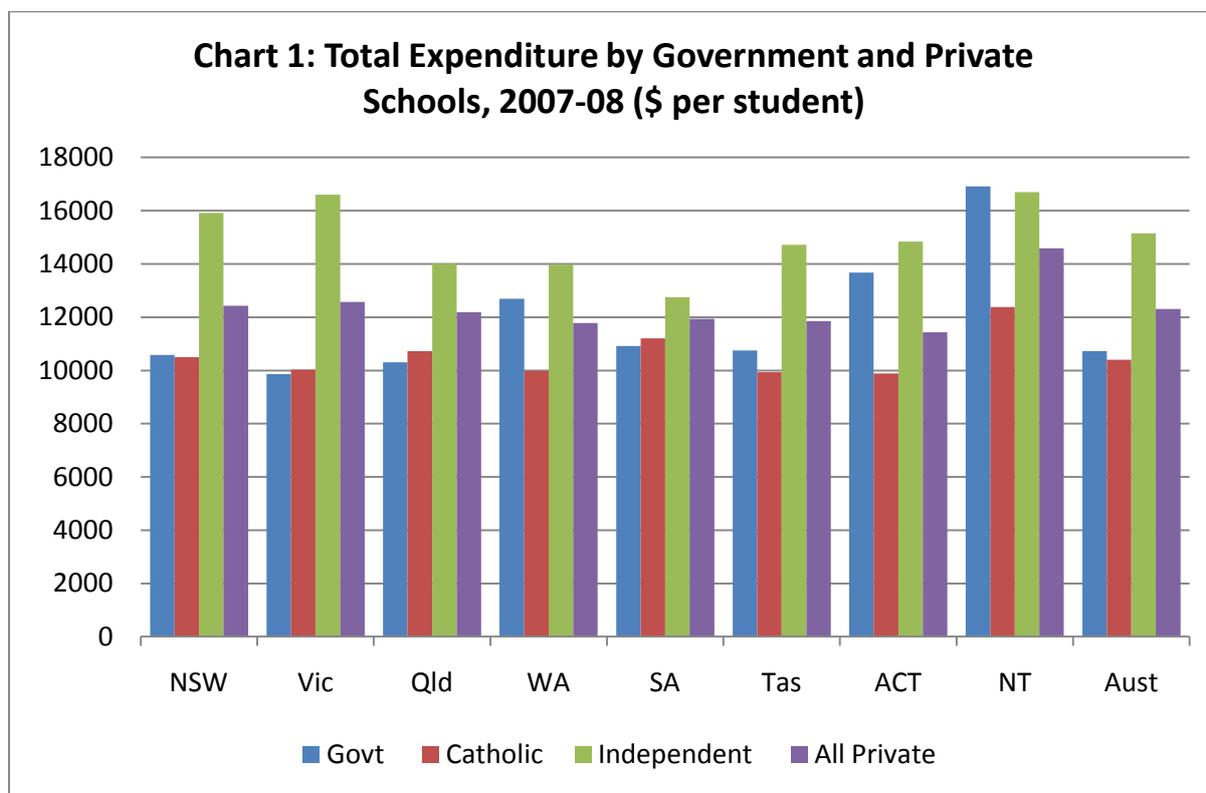
## 2. Total expenditure in government and private schools

### 2.1 Estimates of total expenditure

Total expenditure per student in Independent schools in Australia is much higher than in either government or Catholic schools. On average, it is about 40% higher than in government schools and 45% higher than in Catholic schools.

Average total expenditure in government schools in Australia in 2007-08 was \$10,723 per student [Chart 1, Table B1]. This was slightly higher than the total expenditure in Catholic schools of \$10,399 per student. Total expenditure in Independent private schools was

\$15,147 per student, or \$4,424 per student more than in government schools. The average total expenditure for all private schools was \$12,303, or \$1,580 per student more than in government schools.



Source: See Appendix C

Government school expenditure was similar to Catholic schools in most jurisdictions. Government school expenditure was slightly above Catholic schools in NSW and Tasmania and slightly below Catholic schools in Victoria, Queensland and South Australia. It was significantly higher than for Catholic schools in Western Australia, the ACT and the Northern Territory.

In contrast, government school expenditure was well below that of Independent schools in all states and territories, except the ACT and the Northern Territory. Independent school expenditure in NSW was \$5,343 (50%) higher per student than in government schools, while in Victoria it was \$6,747 (68%) higher per student.

There were wide variations in government school expenditure between jurisdictions. Victoria spent the least on government schools (\$9,858 per student) while the Northern Territory spent the most (\$16,919). Expenditure in government schools in Western Australia and the ACT was also significantly higher than in the other states.

While there was much less variation in private school expenditure between jurisdictions there is considerable diversity within the Catholic system and, especially, the Independent sector. There are many low fee Catholic and Independent schools whose total expenditure is similar to, or even less, than government schools. There are also many high fee schools, especially in the Independent sector, with very high total expenditure which is double or more that of government and low fee private schools.

In NSW, for example, many elite private schools had total resources of \$24,000 to over \$26,000 for each Year 11 and 12 student compared in 2009 to about \$12,000 per government secondary student in 2007-08 [Cobbold 2010]. In Victoria, many had total resources of between about \$22 000 and \$24 000 per Year 11 and 12 students compared to about \$11,000 for government secondary students. Geelong Grammar, with total resources of about \$30,000 a year for Year 11 and 12 students, had nearly three times the resources of Victorian government secondary schools.

## **2.2 Data limitations mean that private school expenditure is under-estimated**

Data limitations mean that the above total expenditure figures very likely under-estimate actual total private school expenditure and over-estimate government school expenditure.

The government school figures include school transport expenditure, which is not included in private school expenditure. Consistent data on school transport expenditure in government schools is not available from official published sources. However, the NSW and Queensland Budget Papers provide estimates of total expenditure on school transport in 2007-08 at \$662 million and \$156 million respectively [NSW Treasury 2008, Table 3.1; Queensland Treasury 2008, Table B.1]. These figures amount to \$402 and \$220 per government school student respectively when pro-rated for the proportion of government school enrolments in total enrolments.

On the other hand, the government school expenditure figures do not include government school fees and voluntary parent financial contributions. For example, school fees are compulsory in South Australian government schools and some other states have compulsory materials fees in secondary school. In general, fees and other financial contributions appear to be very small, even trivial, in per capita terms. For example, NSW government schools collected \$53 million from parent contributions in 2009 [NSWDET 2010], amounting to \$72 per student. Queensland government schools collected just over \$15 million [*Sunday Mail*, 29 August 2010], which amounted to \$31 per student.

Inclusion of these estimates in the above total expenditure figures on government schools would mean that total government school expenditure in NSW was \$10,248 per student, or \$251 per student less than in Catholic schools. In Queensland, total government school expenditure would be \$10,122 per student, or \$600 less than in Catholic schools. If these figures were replicated across Australia, it is likely that government and Catholic school expenditure per student would be even closer than indicated in Chart 1.

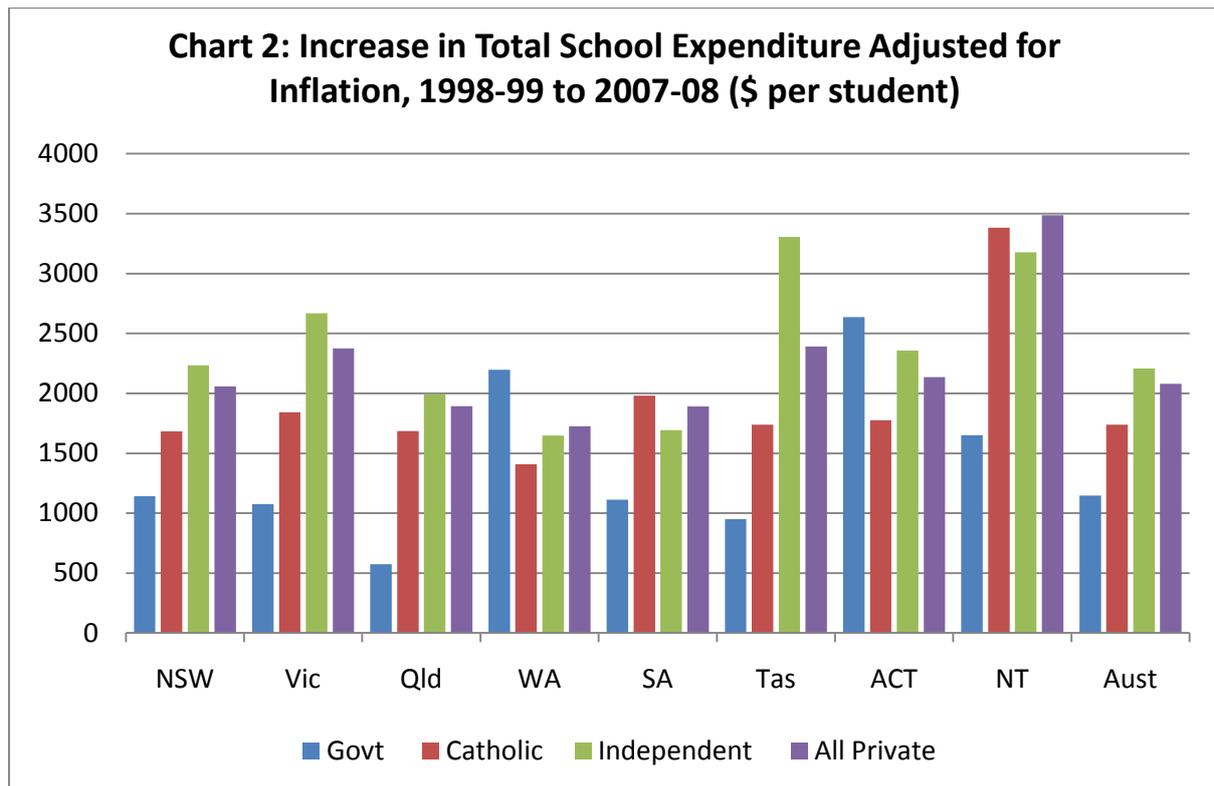
It should be emphasised that the total expenditure estimates in Chart 1 also exclude the cost of tax deductible donations, which are much more significant for private schools than government schools, government expenditure on administration of funding and regulation of private schools, and expenditure on shared government services for private schools.

## **3. Increases in school expenditure**

Increases in school expenditure should distinguish between cost increases for existing resources, such as increased salary costs for the same number of teachers, and increases in actual resources such as more teachers, other staff, equipment and facilities. The increase in total expenditure per student adjusted for inflation, or real expenditure, shows the increase in actual school resources.

Real expenditure per student in Independent schools has increased by much more than in government schools since 1998-99. The increase in Catholic schools was also significantly higher than in government schools.

Total expenditure (adjusted for inflation) in government schools in Australia increased by \$1,147 per student between 1998-99 and 2007-08 compared to increases of \$1,739 and \$2,207 per student in Catholic and Independent schools respectively [Chart 2, Table B2]. The increase in Independent schools was nearly double that in government schools while the increase in Catholic schools was 52% more.



**Source:** See Appendix C

Total expenditure per student in government schools increased by 1.85% a year compared to 3.12% a year for private schools between 1998-99 and 2007-08 [Table B2]. It increased by 3.07% a year in Catholic schools and 2.63% a year in Independent schools.

Independent schools had very high increases in real expenditure per student compared to government schools in most jurisdictions. Total real expenditure per student in Independent schools in Queensland and Tasmania increased by over three times the increase in government schools and the increase in Victoria was over double that in government schools. For example, the increase in Queensland Independent schools was \$1,993 per student compared to \$574 per government school student. The real increase in government school expenditure only exceeded that in Independent schools in Western Australia and the ACT.

The increase in total real expenditure per student in Catholic schools exceeded that in government schools in most jurisdictions also. In NSW it increased by \$541 more per student than in government schools, \$768 more per student in Victoria, \$1,112 per student in Queensland, \$867 per student in South Australia, \$788 per student in Tasmania and by \$1,730 per student in the Northern Territory. The government school increase was

significantly higher than for Catholic schools in Western Australia (\$789) and the ACT (\$860).

There was also wide variation in the increases in real expenditure in government schools between jurisdictions. The increases ranged from \$574 per student in Queensland to \$2,637 per student in the ACT. The increases in Queensland and Tasmania were less than in other states and territories. The highest increases were recorded in Western Australia, the ACT and the Northern Territory.

The gap in total expenditure between government and Independent schools has more than doubled since 1998-99 while the gap between government and Catholic school expenditure decreased by more than half. In 1998-99, total expenditure per student in Independent schools was \$1,971 (in current \$'s) more than in government schools; by 2007-08 it was \$4,424 more per student [Table B1]. In 1998-99, expenditure in government schools was \$852 per student more than in Catholic schools; by 2007-08 this had reduced to \$324. The gap between government school expenditure and average expenditure for all private schools increased from \$124 to \$1,580 per student.

#### **4. Government schools are the major provider for the educationally disadvantaged**

Government schools have more to do with their resources than Independent and Catholic schools because they face much greater challenges in overcoming education disadvantage. Government schools are severely under-resourced in comparison with Independent and Catholic schools when student background is taken into account.

Government schools are the major provider of education for low SES, Indigenous, and provincial and remote/very remote area students. The vast majority are enrolled in government schools and they comprise a much higher proportion of government school enrolments than in private schools. On average, these students have much lower results than students from high SES families. In addition, the large majority of students with disabilities are enrolled in government schools.<sup>1</sup>

##### **7.1 Students from low income families**

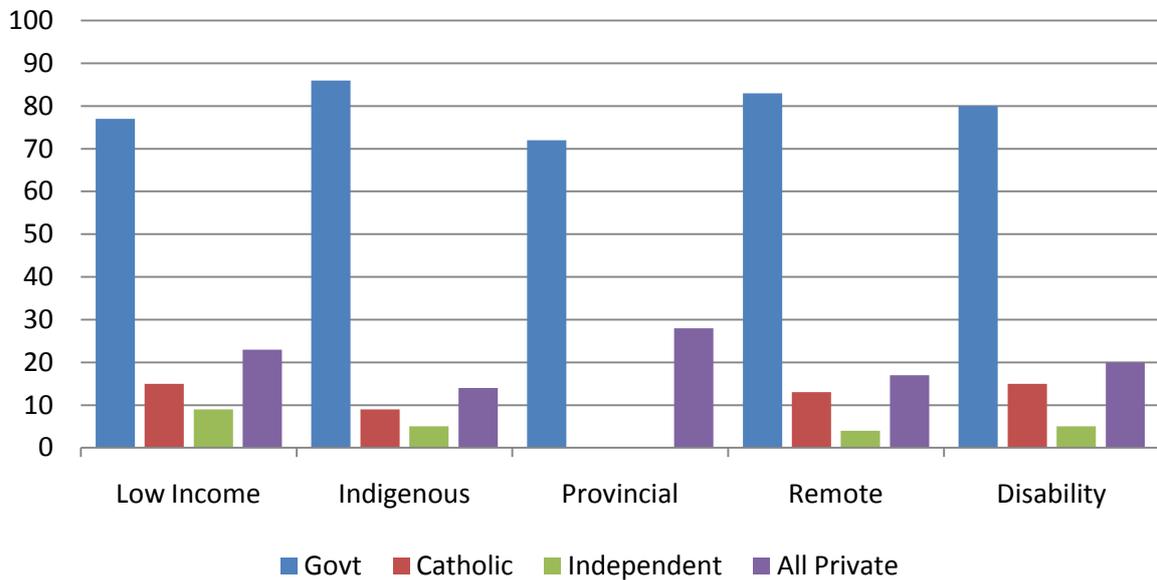
According to the most recent census data, the vast majority of low income students attend government schools. In 2006, 77% of students from low income families attended government schools while only 15% attended Catholic schools and 9% attended Independent schools [Chart 3].

Students from low income families comprised 40% of government school enrolments in 2006, compared to 25% in Catholic schools and 22% in Independent schools [Chart 4]. In contrast, only 27% of government school enrolments were from high income families compared to 43% of Catholic school enrolments and 53% of Independent school enrolments [Chart 5].

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<sup>1</sup> Low SES, Indigenous, disability, and provincial and remote/very remote area students are collectively referred to here as targeted equity groups.

**Chart 3: Targeted Equity Group Enrolments in Government and Private Schools, 2008 (% of group total)**

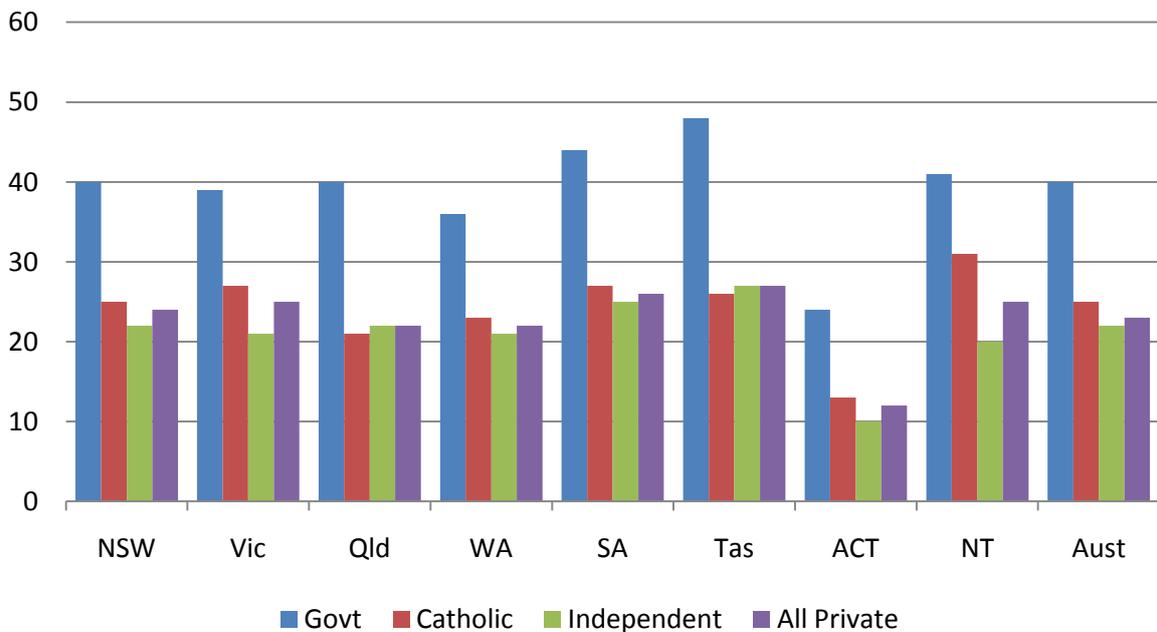


Source: See Appendix C

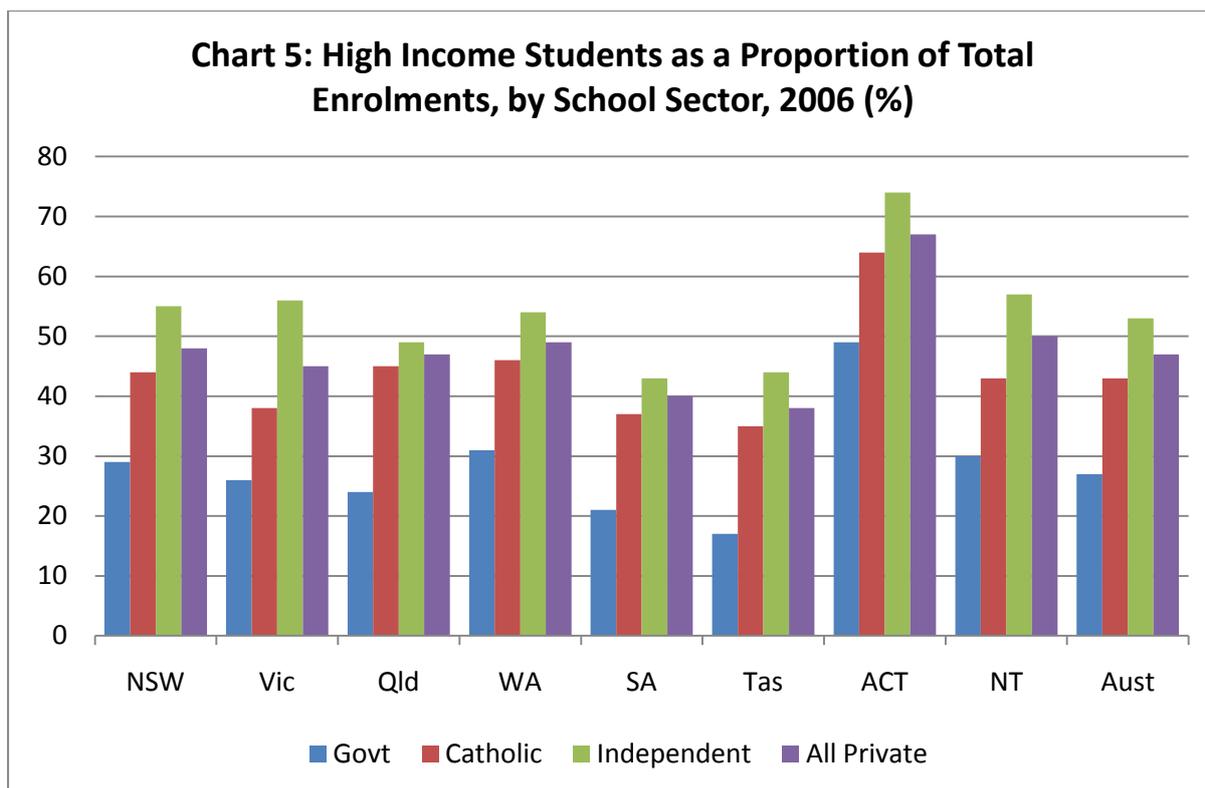
Notes:

1. The low income enrolments are for 2006.
2. Enrolments of provincial area students in Catholic and Independent schools are not available.

**Chart 4: Low Income Students as a Proportion of Total Enrolments, by School Sector, 2006 (%)**



Source: See Appendix C



**Source:** See Appendix C

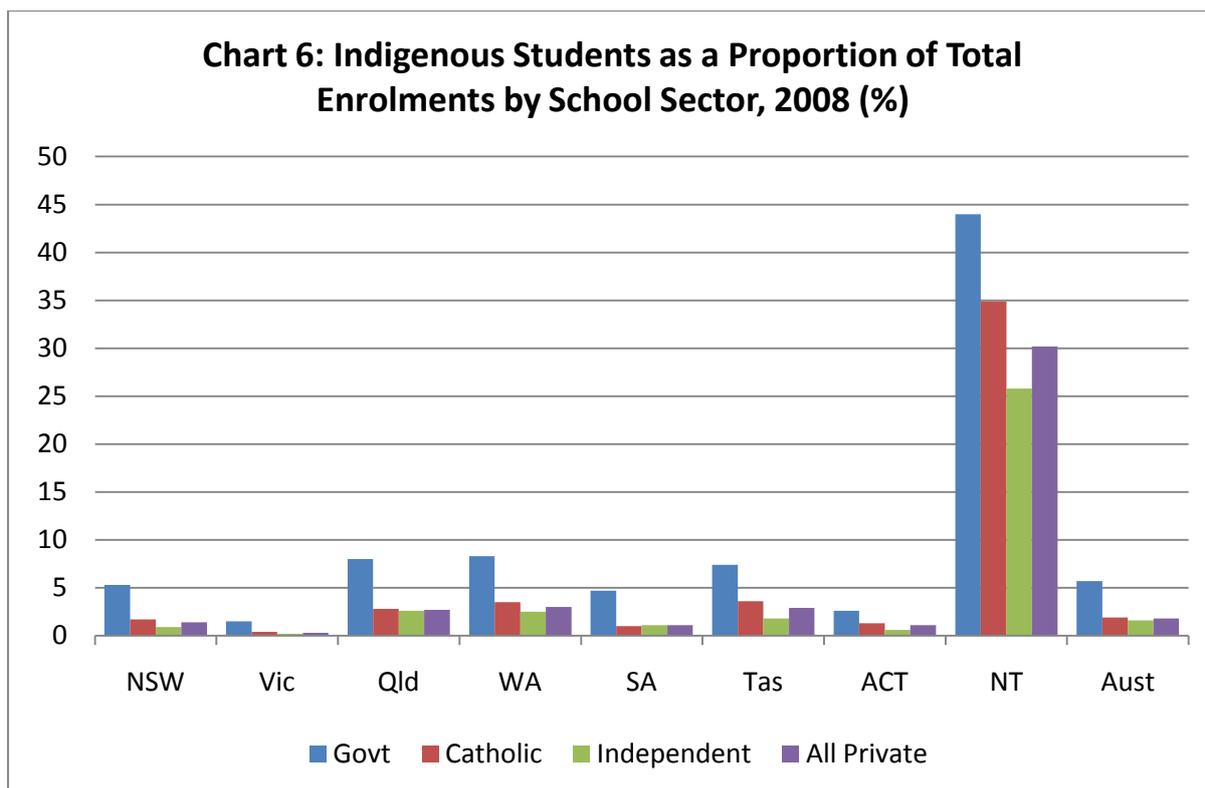
This pattern of enrolments is similar all across Australia. In each jurisdiction, students from low income families constitute a much higher proportion of government school enrolments than in Catholic and Independent schools. On the other hand, students from high income families constitute a much higher proportion of Catholic and Independent school enrolments than in government schools.

Thus, it is a myth that Catholic schools serve similar families to government schools. The socio-economic composition of Catholic schools is much closer to that of Independent schools than to government schools. The proportion of students from low income families in Catholic schools is very similar to that in Independent schools for all jurisdictions except the Northern Territory. While the proportion of students from high income families in Independent schools generally exceeds that in Catholic schools, the Catholic school proportions are closer to that of Independent schools than government schools in all jurisdictions except Victoria and the Northern Territory.

## 7.2 Indigenous students

The large majority of Indigenous students attend government schools. In 2008, 86% of all Indigenous students attended government schools while 9% attended Catholic schools and only 5% attended Independent schools [Chart 3].

The proportion of Indigenous students in government school enrolments in Australia was about three times that in Catholic and Independent schools in 2008. Indigenous students accounted for 5.7% of government school enrolments compared to 1.9% in Catholic schools and 1.6% of Independent school enrolments [Chart 6]. The Indigenous proportion of government school enrolments was at least twice that in Catholic schools and at least three times that in Independent schools in all jurisdictions except the Northern Territory.



Source: See Appendix C

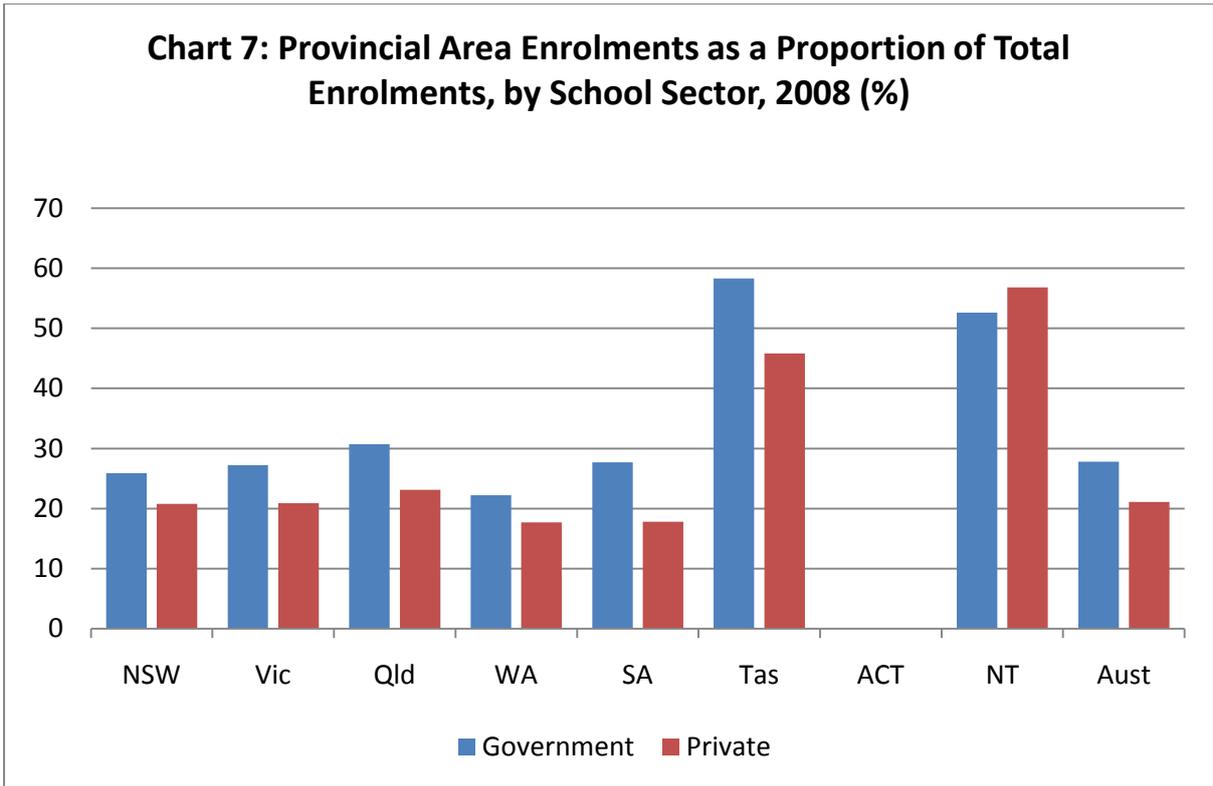
### 7.3 Students in provincial, remote and very remote areas

The large majority of provincial and remote area students attend government schools. In 2008, 72% of provincial students and 83% of remote area students attended government schools [Chart 3].

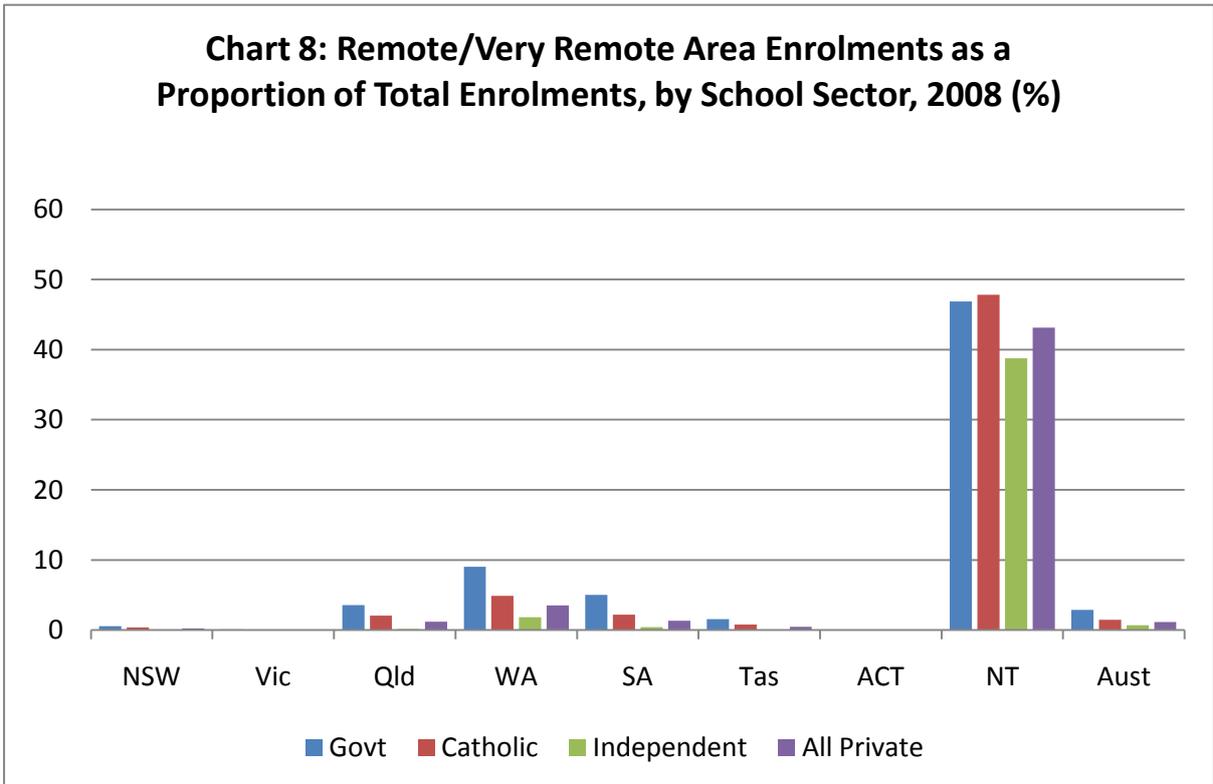
Students in provincial areas comprised 28% of government school enrolments compared to 21% of private school enrolments [Chart 7]. Students in provincial areas were a significantly larger proportion of total government school enrolments than in private schools in all states. In the Northern Territory, students in provincial areas were a larger proportion of total enrolments of private schools than government schools.

The proportion of remote/very remote area students in government school enrolments in Australia was double that in Catholic and four times that in Independent schools in 2008. Students in remote and very remote areas comprised 2.9% of all government school enrolments compared to 1.5% of enrolments in Catholic schools and 0.7% of Independent school enrolments [Chart 8].

Students from remote and very remote areas accounted for a much larger proportion of government school enrolments than in Catholic or Independent schools in Queensland, Western Australia, South Australia and Tasmania. In the Northern Territory, these students comprised 47% of government school enrolments, 48% of Catholic school enrolments and 39% of Independent school enrolments. These students were a negligible proportion of school enrolments in NSW and Victoria.



Source: See Appendix C



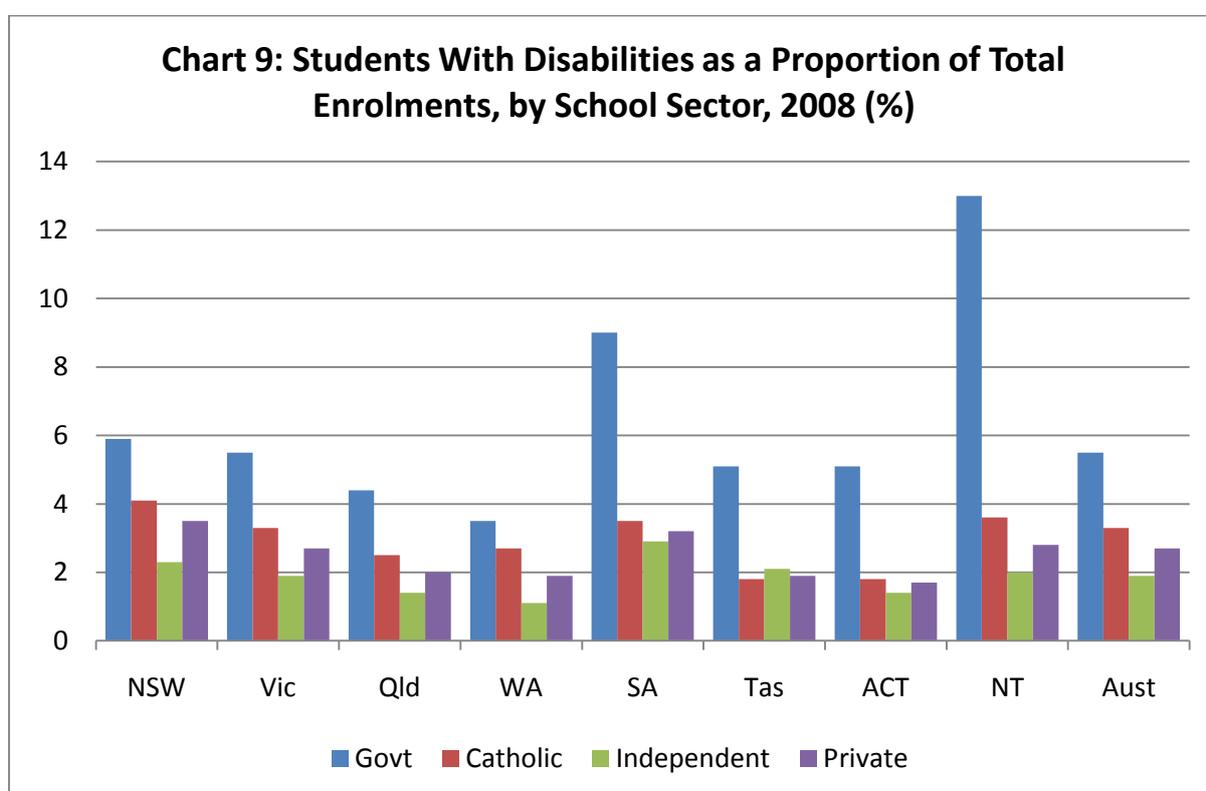
Source: See Appendix C

## 7.4 Students with disabilities

The large majority of students with disabilities attend government schools. In 2008, 80% of all students with disabilities attended government schools while 15% attended Catholic schools and only 5% were enrolled in Independent schools [Chart 3].

Students with disabilities comprised 5.5% of all government school enrolments in 2008 compared to 3.3% of Catholic school enrolments and only 1.9% of Independent school enrolments [Chart 9].

The proportion of students with disabilities in government schools was over 50% higher than that of Catholic schools in all jurisdictions except NSW and Western Australia, where it was 44% and 23% higher respectively. The government school ratio was 2½ to over 3 times that of Independent schools in all states and territories.



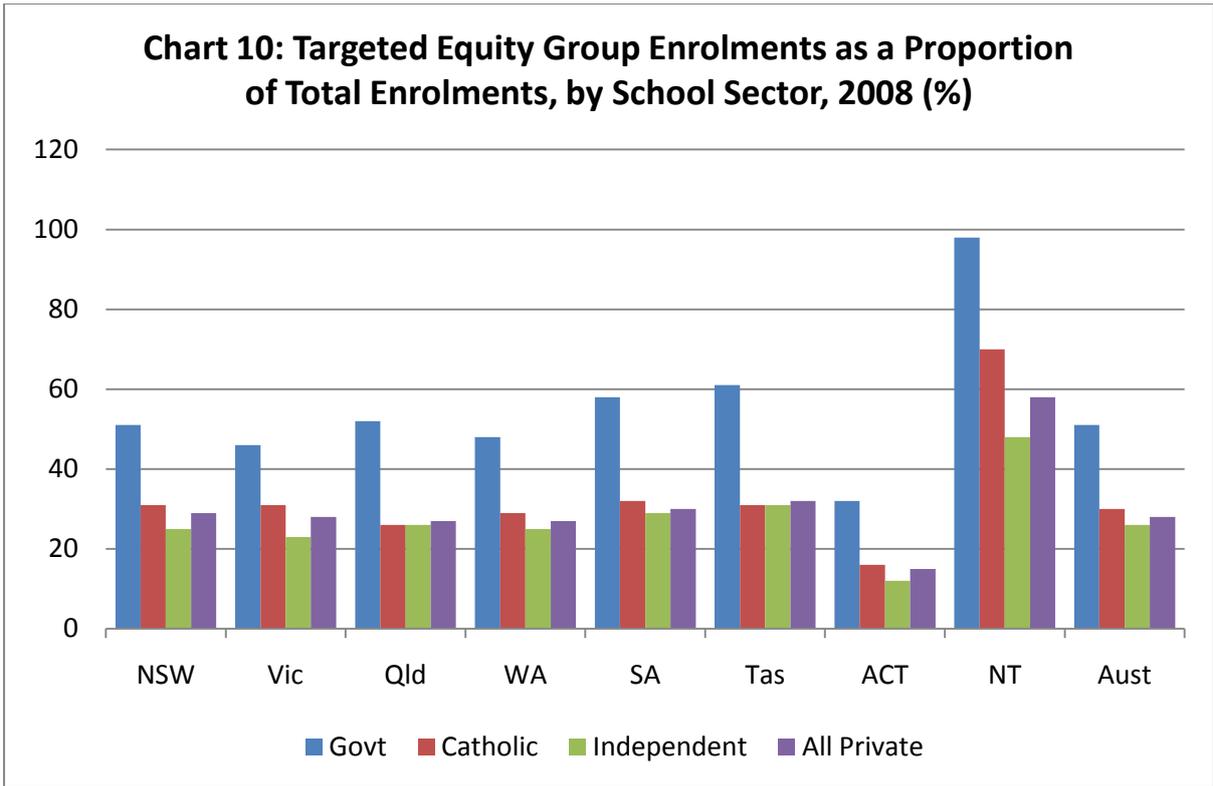
Source: See Appendix C

## 7.5 Government schools face larger challenges than private schools

Thus, government schools have much more to do with their resources than Catholic or Independent schools. They enrol the vast majority of students with family backgrounds that are associated with low levels of school achievement. In addition, they enrol the large majority of students with disabilities who require higher than average expenditure.

Overall, low income, Indigenous and disability students comprise 51% of government school enrolments compared to 30% in Catholic schools and 26% in Independent schools [Chart 10].<sup>2</sup>

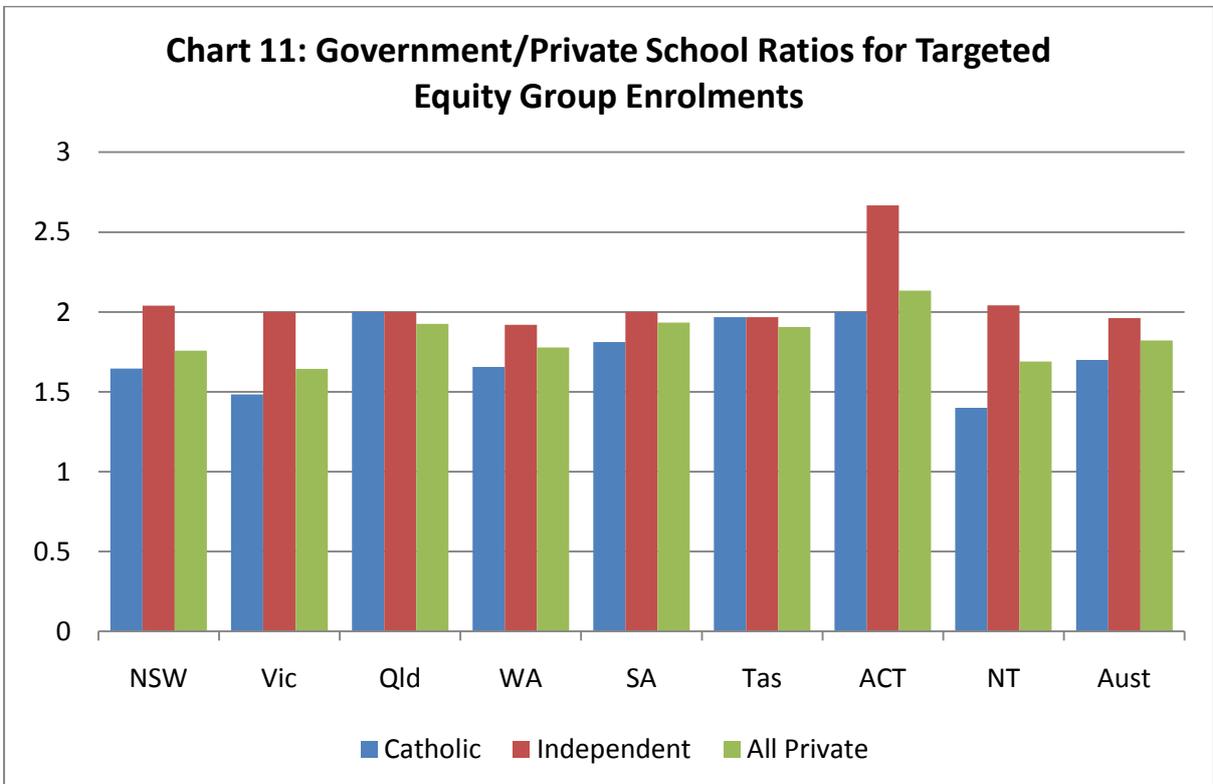
<sup>2</sup> Provincial area enrolments are not included here because they are not available separately for Catholic and Independent schools. Remote/very remote area students are not included because of the very strong overlap between these students and low income and Indigenous students.



**Source:** See Appendix C.

**Note:**

1. Students in provincial and remote/very remote areas are not included.
2. Includes low income enrolments for 2006.



An indicative measure of the relative challenges facing government and private schools is the ratio of enrolments for targeted equity groups to total enrolments. While there is significant overlap between the different groups it exists for both government and private schools and the overall proportion of enrolments of targeted equity groups also indicates the compounding effects of multiple sources of disadvantage.

The extent of education disadvantage in government schools in Australia is about 1.8 times that in all private schools across Australia [Chart 11]. It is 1.7 times that in Catholic schools and is almost double that in Independent schools. The ratios are very similar in all states and territories, except in the ACT where the extent of disadvantage in government schools is over 2½ times that of Independent schools.

## **5. Achievement gaps in Australia**

The extent of the challenge facing government schools in providing for the large proportion of low income, Indigenous, and provincial and remote area students can be seen in the large achievement gaps in school results for these students compared to other students. There are large achievement gaps between students from low and high SES families, between Indigenous and non-Indigenous students and between remote area and metropolitan students. The gaps between Indigenous, provincial and remote area students and high SES students are also very large.

### **5.1 The gap between low and high SES students**

According to the latest results of the OECD Programme for International Student Assessment (PISA), nearly one quarter of 15 year-old students from low socio-economic status (SES) families in Australia did not achieve expected international proficiency standards [Thomson & De Bortoli 2008a]. In 2006, 22-23% of low SES students did not achieve international proficiency standards in reading, mathematics and science compared to only 5% of high SES students [Chart 12]. Thus, the proportion of low SES students not achieving expected levels is about 5 times that of high SES students.

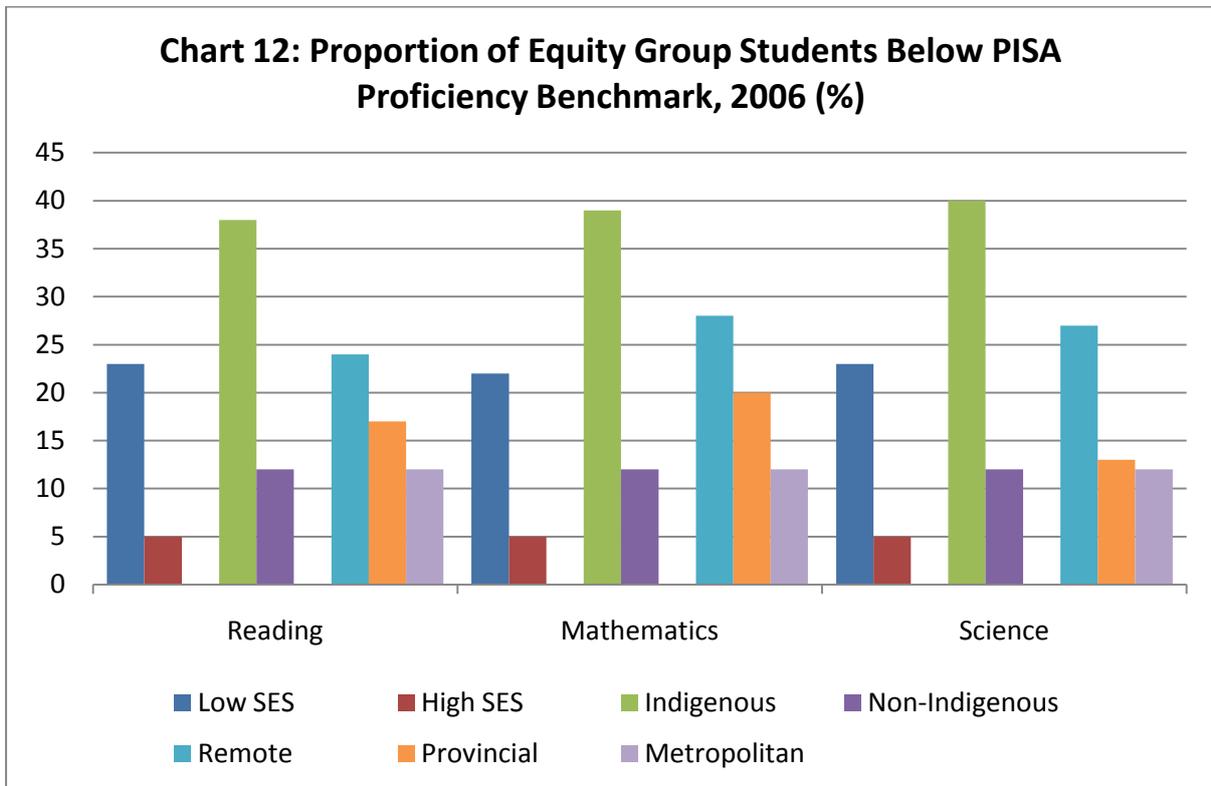
In contrast, the proportion of high SES students achieving the highest proficiency levels is about 5 times that of low SES students. In 2006, only 4% of low SES students achieved the highest reading proficiency standard compared with 21% of high SES students. In mathematics, the respective proportions were 6 and 29% and in science it was 6% compared to 26%.

On average, 15 year-old students from low SES families are over two years behind high SES students. In 2006, the differences in average score points between low and high SES students in reading, mathematics and science were 84, 78 and 87 respectively [Chart 13]. The gap between low SES students and the average for all students was 40, 37 and 42 points respectively, or about one year's learning.

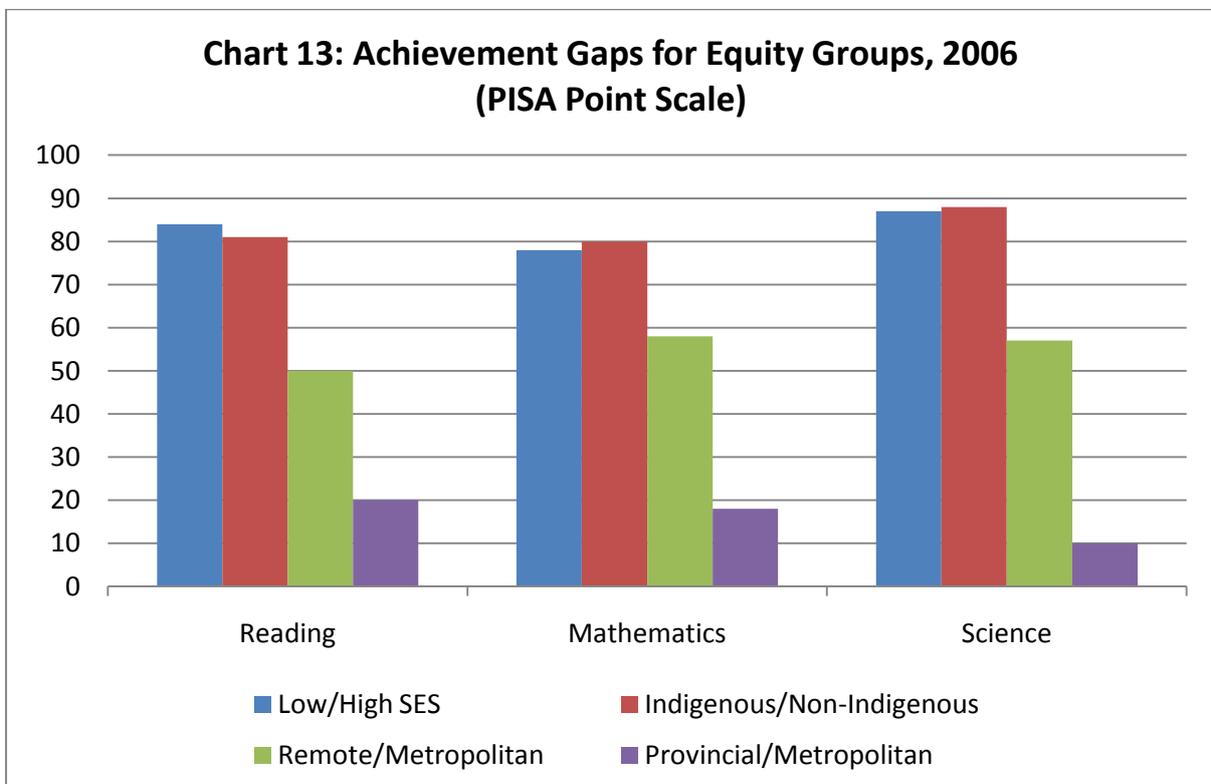
The proportion of low SES students achieving below the OECD average is about 2½ times that for high SES students. In 2006, 53-55% of low SES students achieved below the OECD average in reading, mathematics and science compared to 22-24% of high SES students. [Thomson & De Bortoli 2008b].

There are even starker differences between the results of students from low SES families enrolled in schools with a high proportion of low SES students and students from high SES families enrolled in high SES schools. The low SES students enrolled in low SES schools are

nearly four years behind students from high income families in high SES schools in reading, mathematics and science.



Source: Thomson & De Bortoli 2008a



Source: Thomson & De Bortoli 2008a

Note: One year's learning is equivalent to about 35-38 points on the PISA scale depending on the domain tested.

Students from families in the lowest SES category and enrolled in the lowest SES schools scored 128 points below students in the highest SES family group enrolled in the highest SES schools in mathematics in 2006 [McConney & Perry 2010]. This difference is the equivalent of about 3½ years of schooling on the PISA scale. In the case of science, the difference was 142 points, or nearly four years of learning. The gap for reading in 2006 is not available, but the results from PISA 2003 show a difference of 143 points [Perry & McConnell 2010a; Perry & McConnell 2010b].

A recent report of the NSW Auditor-General shows that one or two in every 10 low income students are below minimum State standards in literacy and numeracy compared to one or two in every 100 high income students [Audit Office of NSW 2008]. In 2007, 11% of Year 3 students in South Western Sydney and 9% in Western Sydney, both low income regions, were below minimum literacy and numeracy standards in 2007 compared to 1-2% of students in Northern Sydney which is a high income area. The achievement gap was huge for disadvantaged schools where 20% of students were below the Year 3 minimum standard in literacy and 15% were below the numeracy standard.

A report by the Victorian Auditor-General found that the achievement gap between students from low- and high-SES schools was wide at all year levels for both literacy and numeracy [Auditor-General, Victoria 2009]. Students from low-SES schools were up to a year or more below the achievement level of their counterparts from high-SES schools for both literacy and numeracy. This achievement gap widened as students progressed through school from Years 3 to 9. In Year 9, the gap represented 15 months of learning for both literacy and numeracy.

National data on school completion rates shows that the proportion of low SES students who fail to complete Year 12 is nearly double that of high SES students. In 2008, 42% of students from low SES families failed to complete Year 12 compared to 23% of students from high SES families [National Report on Schooling 2008: Table 34].<sup>3</sup>

## **5.2 The gap between Indigenous and non-Indigenous students**

The PISA results show that 38 to 40% of 15 year-old Indigenous students did not achieve expected international proficiency standards in reading, mathematics and science in 2006 compared to 12% of all Australian students [Chart 12]. On average, 15 year-old Indigenous students are 2-2½ years behind non-Indigenous students. In 2006, the differences in average score points between Indigenous and non-Indigenous students in reading, mathematics and science were 81, 80 and 88 respectively [Chart 13].

Some 55% of Indigenous students enrolled in Years 7/8 fail to progress through to Year 12 compared to 23% of non-Indigenous students [ABS 2010c: Table 15].<sup>4</sup>

## **5.3 The gaps between remote, provincial and metropolitan students**

The results of students in remote and very remote areas are significantly lower than those of metropolitan students while the results for provincial area students are only a little below those of metropolitan students.

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<sup>3</sup> These figures are completion rates for Year 12. They are calculated as the proportion of the estimated population that could attend Year 12 in a calendar year who complete Year 12.

<sup>4</sup> These figures are retention rates to Year 12. They are calculated as the proportion of students enrolled in Years 7 in 2004 (or Year 8 in 2005 for some states) who were enrolled in Year 12 in 2009.

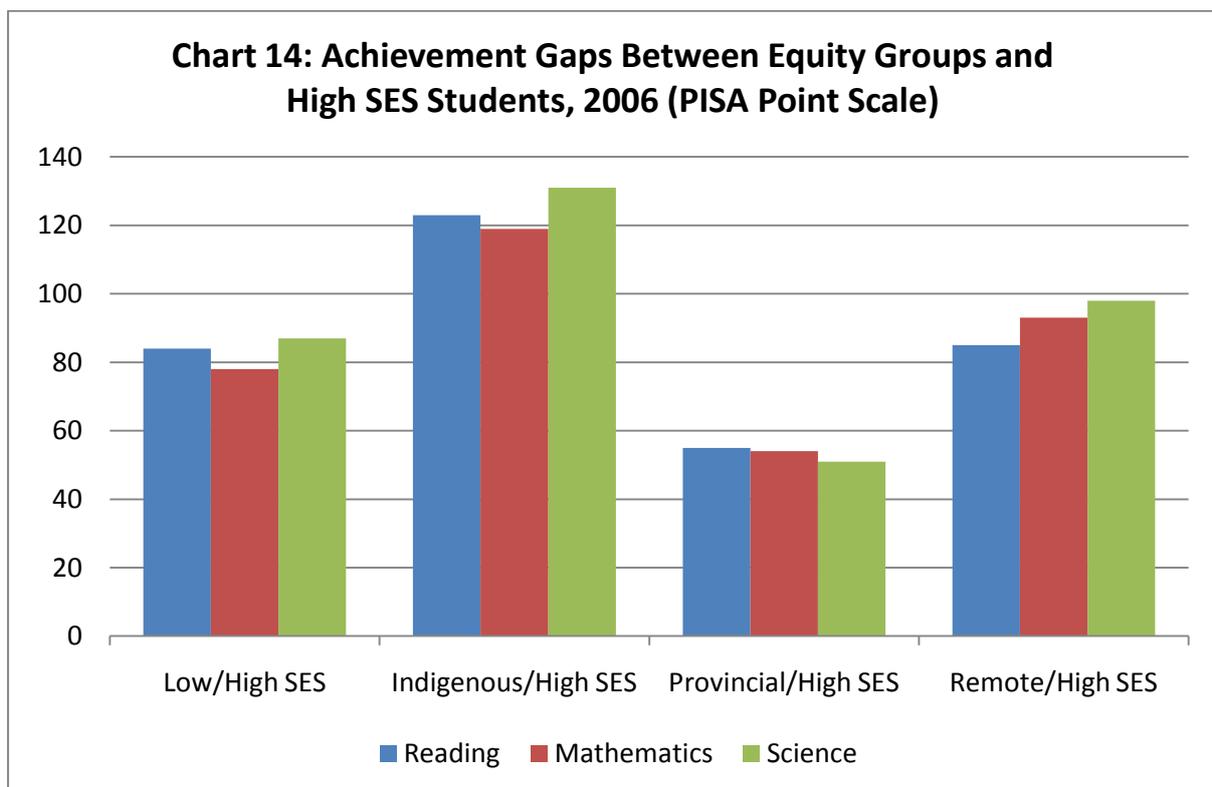
The PISA results for 2006 show that between 24 and 28% of 15 year-old students in remote and very remote areas did not achieve expected international proficiency levels in reading, mathematics and science compared to 12% of metropolitan students [Chart 12]. Remote and very remote area students were generally about 18 months in learning behind metropolitan students. The differences in average score points in reading, mathematics and science were 50, 58 and 57 respectively [Chart 13].

The achievement gaps were less in the case of provincial area students. In 2006, 17, 20 and 13% of these students did not achieve the international proficiency benchmarks in reading, mathematics and science, respectively, compared to 12% of metropolitan students [Chart 12]. Provincial area students were about six months or less behind their metropolitan peers in their learning progress. The average points score differences were 20, 18 and 10 respectively [Chart 13].

In 2008, 49% of students in remote areas and 40% of provincial area students did not complete Year 12 compared to 32% of metropolitan students [National Report on Schooling 2008: Table 32].

#### 5.4 The gaps between equity groups and high SES students

As noted above, there are large achievement gaps between low and high SES students in reading, mathematics and science. It is striking that the gaps between Indigenous and non-Indigenous results are similar. However, the gaps between Indigenous students and high SES students are massive.



**Source:** Thomson & De Bortoli 2008a

**Note:** One year's learning is equivalent to about 35-38 points on the PISA scale depending on the domain tested.

The proportion of Indigenous students not achieving international proficiency standards (38-40%) is 8 times that of high SES students (5%). On average, 15 year-old Indigenous students

are about 3½ years behind high SES students in reading, mathematics and science. The differences in average score points were 123, 119 and 131 respectively [Chart 14]. These gaps are similar to the gaps between low SES students in low SES schools and high SES students in high SES schools.

The gaps between remote/very remote area students and high SES students are also very large, amounting to about 2½ years of learning. The differences in average score points in reading, mathematics and science were 87, 93 98 respectively [Chart 14]. The gaps between provincial area students and high SES students were the equivalent of about 1½ years learning. The differences in average score points in reading, mathematics and science were 57, 54 and 51 respectively [Chart 14].

## **6. Closing achievement gaps is the major priority in education**

These achievement gaps are a grave social injustice. Low SES, Indigenous, and provincial and remote area students are being denied the same educational opportunities as high SES students. Our education system discriminates against low SES, Indigenous, and provincial and remote area families and compounds privilege. Students from more privileged backgrounds have greater access to higher incomes, higher status occupations and positions of wealth, influence and power in society than students from more disadvantaged backgrounds.

The large disparities in school outcomes also indicate a waste of talents, skills and resources. It is, in effect, a measure of the potential to improve workforce skills and productivity. The current and former prime ministers have emphasised the need to improve Australia's productivity. Eliminating inequity in education outcomes would be a huge boost to productivity [Goldin & Katz 2008]. There is also a wealth of evidence to show that it would reduce the costs of health care, social security and crime [Belfield & Levin 2007].

It is a matter of justice that all children should receive a minimum formal education required to make their own way as adults in society and to contribute to society. Society has a moral obligation to ensure that all children receive an adequate education. Indeed, the moral authority of a society that calls itself a democracy depends, in no small part, on providing all its citizens with an adequate education. In today's society, this means that all students should complete Year 12 or its equivalent. As demonstrated above, Australia is a long way from achieving this goal.

However, achieving this minimum level of education for all students is not sufficient to achieve full equity in education. Even if all young people complete Year 12, large inequalities in outcomes will still exist between social groups and affect the life chances of individuals according to their membership of social groups. Average outcomes of high SES students could still be much higher than for low SES students so that students from high SES families will continue to comprise a disproportionate number of those achieving at the higher levels of attainment while low SES students are clustered just above the minimum threshold. They will remain the favoured social group in terms of access to higher education and the higher paying occupations and status positions in society.

Equity in education therefore also demands a similar distribution of school outcomes between students from different social groups as well as the achievement of a minimum threshold level of attainment for all students. There is no reason in principle to consider that innate

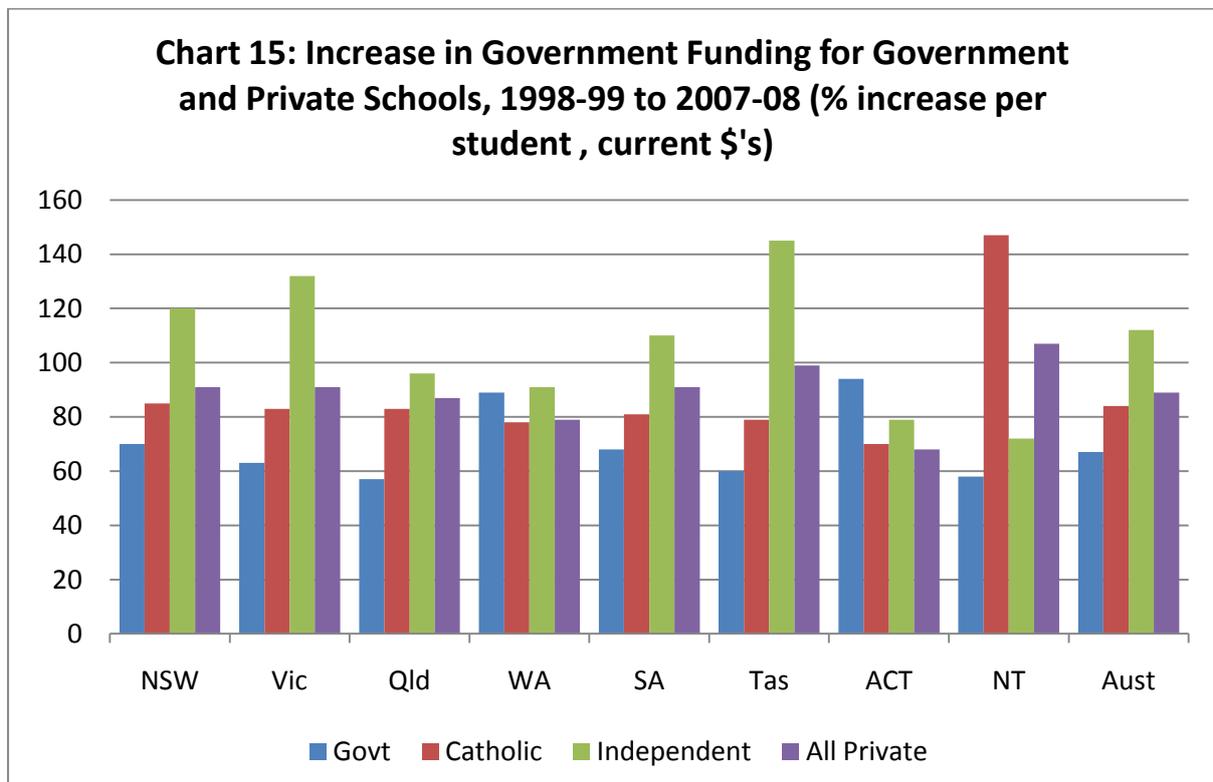
talents of low SES, Indigenous, and provincial and remote area students are somehow less than those of high SES students. No social, racial or geographic group of students is innately more intelligent or talented than others.

Achieving social equity in education should be a fundamental goal of public education. Low SES, Indigenous, and provincial and remote area students should achieve similar outcomes to students from high SES families.

## 7. Government funding increases have favoured privilege over disadvantage

Despite the concentration of education disadvantage in government schools, government funding priorities have favoured private schools over the last decade. The largest percentage increases in government funding (federal, state and territory) have gone to private schools. Schools serving the wealthiest families in Australia continue to receive large and increasing amounts of government funding.

The most privileged school sector – Independent schools – received the largest increase in government funding over the last decade. Between 1998-99 and 2007-08, government funding per student in Independent schools in Australia increased by 112%, 84% for Catholic schools and 67% for government schools [Chart 15]. The average increase for all private schools was 89%. The percentage increase for Independent schools was over 1½ times the increase for government schools.



Source: See Appendix C.

Independent schools received the largest increases in government funding in all jurisdictions except the ACT. Government funding for Independent schools in NSW increased by 120%, 132% in Victoria and 145% in Tasmania. The government funding increase for Independent schools in Victoria was double the increase for government schools and in Tasmania it was

more than double the increase in government school funding. The increases in government funding for Independent and government schools in Western Australia were similar. The percentage increase in government funding for Catholic schools was larger than for government schools in all jurisdictions except Western Australia and the ACT.

To add insult to injury, the higher costs associated with the greater extent of education disadvantage in government schools is a source of windfall gain for private schools. Government funding for private schools is linked to government school costs so that increases in funding for government schools automatically flow on to private schools. Government school costs are increased by the costs of a much higher proportion of enrolments of low SES, Indigenous, disability and remote area students than in private schools and private schools receive a portion of this higher expenditure even though their ratio of these students to total enrolments is much lower. Effectively private schools receive a windfall gain in funding by virtue of the link with government school costs.

In addition, many of Australia's wealthiest schools continue to receive large amounts of federal government funding even though their enrolments from educationally disadvantaged groups are negligible. Many schools with Year 11 and 12 fees of over \$20,000 a year receive \$2,000 – \$4,000 per student in federal funding.<sup>5</sup> For example, in Sydney, King's School with Year 12 fees of nearly \$25,000 will receive \$3,211 per student in 2010 and PLC with Year 12 fees of \$22,580 will receive \$3,300 per student while many others including Kincoppal at Rose Bay, Kings School, Newington, PLC, Pymble Ladies College, Reddam House, St. Andrews Cathedral School, St. Catherine's and Sydney Grammar will receive over \$2,000 per student. Ascham and Kambala with Year 12 fees of over \$26,000 will receive nearly \$2,000 per student. Many are due to receive about \$4 million or more in total Commonwealth funding in 2010, including Kings School, Newington, PLC and Pymble Ladies College.

In Victoria, Geelong College and Haileybury will each receive over \$4,000 per student in Commonwealth funding. Geelong Grammar, the most expensive school in Australia with Year 12 fees of nearly \$28,000, will get \$3,456 per student. Caulfield Grammar, PLC, St. Leonard's College and Wesley College will receive nearly \$3,000 or more per student and many others will receive over \$2,000 per student.

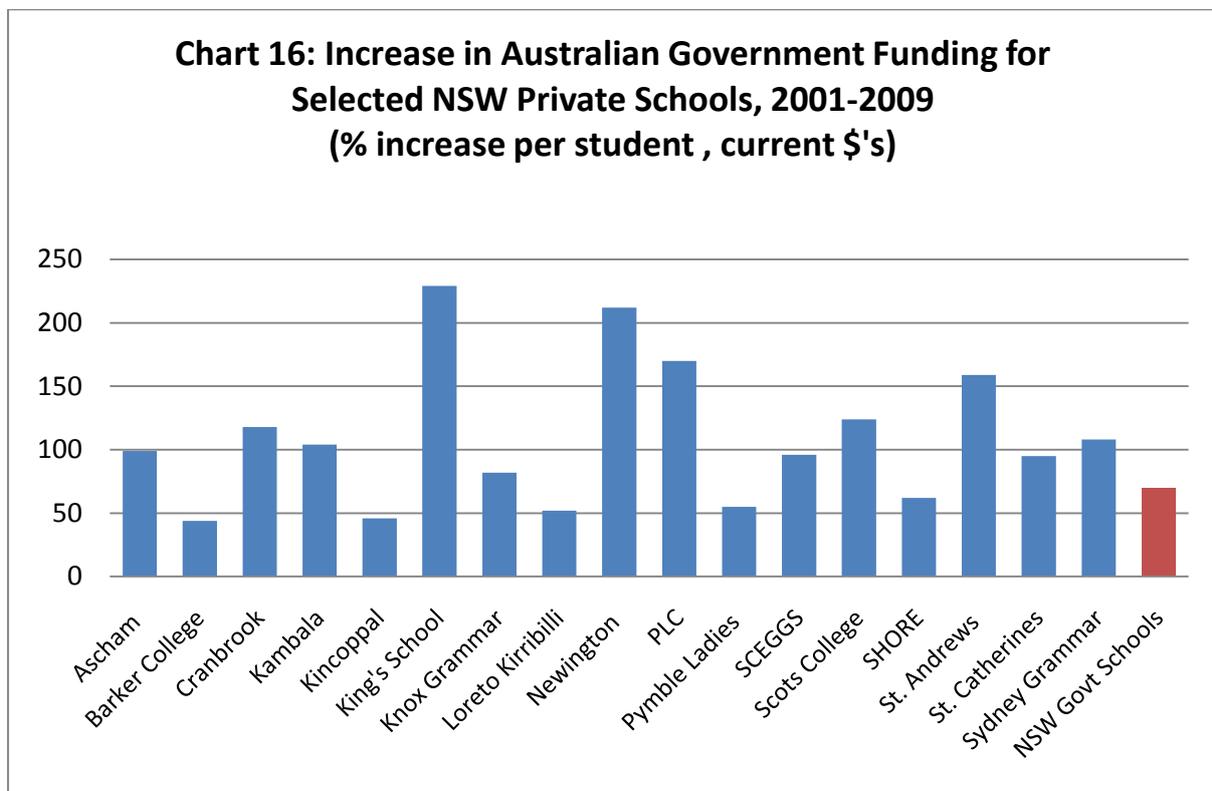
Haileybury College is estimated to receive \$12.7 million in total Commonwealth funding in 2010, Caulfield Grammar \$9.3 million, Wesley College \$7.5 million and the prestigious Geelong College will get \$5.3 million. The most expensive school in Australia, Geelong Grammar, will get nearly \$4.5 million. Several others will receive over \$4 million, including Carey Grammar, MLC and PLC.

Federal Government funding increases for many wealthy private schools has far outstripped the increases in total government funding for government schools. Federal Government funding per student in many NSW elite schools has increased by 2-3 times since the introduction of the SES funding arrangements in 2001 [Chart 16]. It increased by 236% for the Kings School and by 208% for Newington. This was three times the 70% increase in funding for NSW government schools between 1998-99 and 2007-08.

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<sup>5</sup> See Cobbold 2010 for the following figures.

Funding more than doubled for St. Andrew's Cathedral School (166%) and Pymble Ladies College (163%) and nearly doubled or doubled for Ascham (96%), Kambala (96%), SCEGGS (87%), St. Catherine's (90%) and Sydney Grammar (100%).



**Source:** See Appendix C.

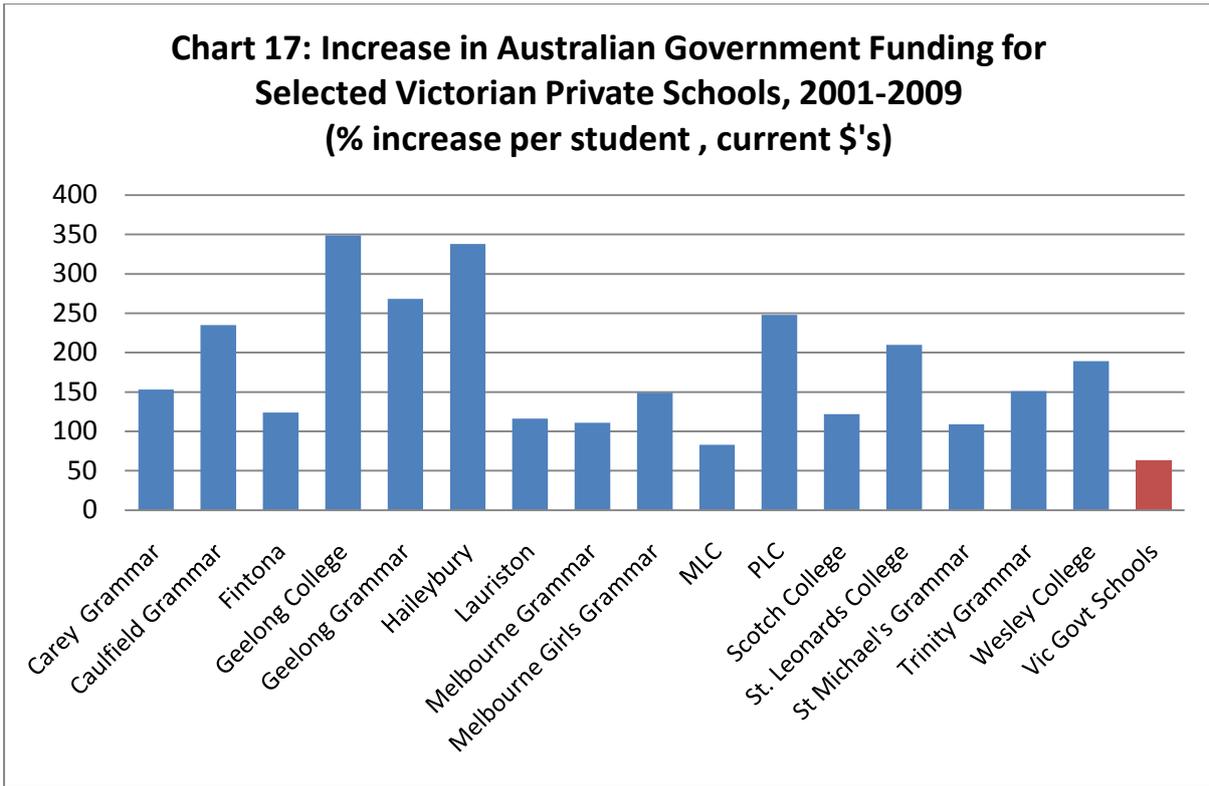
**Notes:**

1. State government funding is not included in the private school figures but is included in the government school figure.
2. The increase for NSW government schools is for 1998-99 to 2007-08.

Federal Government funding per student in many elite Victorian private schools doubled or more since 2001 and for five schools it increased by more than 3 or 4 times [Chart 17]. Federal funding per student at the prestigious Geelong College increased by a massive 349% and by 338% at Haileybury. This was five times the increase of 63% in total government funding for Victorian government schools between 1998-99 and 2007-08.

Federal Government funding even increased by 268% for Geelong Grammar, the most expensive private school in Australia. It increased by 235% for Caulfield Grammar and by 248% for PLC. These increases were four times the increase in total government funding for Victorian government schools.

Other elite schools for which Federal Government funding doubled or more since 2001 include Carey Grammar (153%), Fintona (124%), Lauriston (116%), Melbourne Grammar (129%), Melbourne Girls' Grammar (149%), Scotch College (122%), St. Leonard's College (210%), Trinity Grammar (151%) and Wesley College (189%).



**Source:** See Appendix C.

**Notes:**

1. State government funding is not included in the private school figures but is included in the government school figure.
2. The increase for Victorian government schools is for 1998-99 to 2007-08

These increases are an indictment of government school funding priorities. Huge increases in government funding have gone to the wealthiest and least needy schools in Australia, while those most in need, government schools, continue to be denied the funding they require to provide an adequate education to all their students.

Supporting privilege is seen by governments as more important than eliminating disadvantage and inequity in education. It is a policy which extends the advantages obtained from a wealthy background rather than reducing them. It effectively places more value on enriching the lives of those from privileged backgrounds than those who are not as well favoured in society.

This is indefensible. A fundamental change in the funding priorities of Australian governments is required to close the achievement gaps in education. A massive funding increase for government schools is needed to transform our high quality, low equity education system into a high quality, high equity system.

**8. Government schools need a massive funding increase**

Research studies show that large additional funding is needed to bring educationally disadvantaged students up to average levels of achievement. For example, several education cost studies show that the additional expenditure required for low income students to achieve at adequate levels is double or more the cost of educating an average student [Reschovsky & Imazeki 1998; Duncombe 2002; Duncombe & Yinger 2005. See also Baker 2006; Duncombe & Yinger 2008; Ladd 2008].

The additional funding to be provided for education disadvantage in Australia under the Smarter Schools National Partnership between the federal, state and territory governments is far below this requirement. It is unlikely to make any significant reduction in the existing achievement gaps.

The Smarter Schools National Partnership is to inject \$1.5 billion into about 1700 low SES government and private schools over 7 years beginning from 2008-09 [DEEWRa]. A further \$540 million will be provided to another 900 government and private schools over 4 years to improve literacy and numeracy outcomes [DEEWRb]. This program is intended to provide additional support for students in schools not classified as low SES schools, but who are not achieving expected literacy and numeracy outcomes. About 140 schools will be funded under both programs.

About 440,000 students will be supported through the low SES national partnership and about 370,000 through the literacy and numeracy partnership, including about 41,000 students who will receive support under both programs [DEEWRc]. The total additional funding available to government schools through these programs is approximately \$266 million a year and covers about 573,000 students, or one-quarter of government school enrolments in 2009.

The national partnerships also provide for matching funding to be provided by state/territory governments for both programs. However, this does not necessarily require additional funding as governments can fulfil this obligation through existing and/or redirecting funding. Existing funding is already included in estimates of average government school expenditure.

The low SES program will provide an average of \$487 per student a year over the 7 years while the literacy and numeracy program will provide \$365 per student a year over 4 years. For a school of 300 students this funding is equivalent to about 1.5 additional teachers.

In contrast, the Federal Government provides the wealthiest schools in Australia with annual funding of \$2,000 - \$4,000 per student. This is 4 to 8 times greater than the additional funding to be provided to the most disadvantaged schools in Australia. Funding for the privileged is given priority over funding for the disadvantaged.

Much more funding than is currently being provided to the educationally disadvantaged is needed to close the achievement gaps.

As noted earlier, low SES students are about one year's learning behind the average in reading, mathematics and literacy. If average government school expenditure is used as the benchmark for achieving average outcomes, the additional funding provided through the low SES program to improve outcomes amounts to only 4.5% of average expenditure per student which was \$10,723 per student in 2007-08. The literacy and numeracy program funding per student is 3.4% of average government school expenditure. In contrast, what is needed according to the research is an additional \$11,000 - \$16,000 per student, or 22-33 times the additional funding currently provided by the low SES program and 30-44 times the funding provided by the literacy and numeracy program. Overall, this would require total additional funding for government schools of \$6.3 – \$9.2 billion a year, a far cry from the current \$266 million a year.

This is a measure of the enormity of the task facing Australia to bring the achievement of low SES students up to average levels of achievement. Even greater increases in funding are needed to eliminate the achievement gap between low and high SES students.

As noted earlier, the achievement gaps between low and high SES students in Australia are equivalent to over two year's learning, which is about double the gap between low SES students and the average for all students. This suggests that \$12.6 - \$18.4 billion in additional funding per year is needed for government schools to eliminate the achievement gap between rich and poor students.

Another measure of the additional funding needed to eliminate the achievement gaps in Australia is to apply the ratio of targeted equity enrolments in the government and private sectors to the average level of resources in private schools. On this basis, as education disadvantage in government schools is 1.8 times that of all private schools, they should receive 1.8 times the level of average private school expenditure, or \$22,145 per student. Given that current comparable government school expenditure is \$10,723 per student, it would require increased funding of \$11,422 per student.

This amounts to an additional \$26 billion per year, based on 2009 enrolments in government schools. This is the additional funding needed to resource government schools to the level of private schools taking into account the higher level of education disadvantage in the government sector.

If Catholic school expenditure is taken as the community benchmark level of resourcing, then government schools should receive 1.7 times Catholic schools expenditure because education disadvantage is 1.7 times that of Catholic schools. This would amount to an additional \$6,955 per government school student, or an additional \$16 billion a year.

Alternatively, Independent school expenditure could be used as the community benchmark. In this case, government schools should receive twice the level of expenditure per Independent student because education disadvantage in government schools is double that of Independent schools. This would require additional funding of \$19,571 per student, or an additional \$44.5 billion a year.

Whatever basis is used to estimate the additional expenditure required for government schools to effectively deal with educational disadvantage, it is clear that it requires an unprecedented massive increase in funding.

# Appendix A: The Comparability of Government and Private School Expenditure Data

## A1. Differences in how expenditure data is compiled

The total expenditure figures published in this paper are different from those published in the National Report on Schooling in Australia. According to the latest report, total government school expenditure in 2007-08 was \$12,639 per student compared to \$10,826 in Catholic schools and \$15,576 in Independent schools in 2008. However, these figures are not comparable for many reasons:

1. The private school figures are for the calendar year while the government school figures are for the financial year. This means that private school expenditure is slightly inflated in comparison with government schools because it includes expenditure incurred six months later than for government schools.
2. The government school figures include an imputed user cost of capital on the value of land, buildings, equipment and other capital assets. The private school figures do not include an imputed user cost of capital on the assets contributed by government through land and capital grants to private schools.
3. Capital expenditure in the government school figures is accounted for by depreciation on the written down value of capital assets. Capital expenditure in private schools is measured as actual expenditure in the year incurred.
4. Government school expenditure includes payroll tax paid to state governments. Notional payroll tax is included for Western Australia and the ACT as these jurisdictions are exempted from paying payroll tax. Private schools are exempted from payroll tax and it is not included in private school expenditure.
5. Government school expenditure includes the cost of transporting students to school. This includes expenditure on school bus contracts, operating expenses of school buses including wages, subsidy payments to reduce student fares, excursion costs (excluding private contributions) and other school transport costs. The cost of the transport of students to private schools is not included in private school expenditure.
6. The cost of tax deductible donations to government is excluded from government and private school expenditure. Tax deductions represent a loss of government income tax revenue and therefore are a form of government expenditure on schools. Tax deductible donations are a much more significant source of funding for private schools than for government schools.
7. The cost of administering the government school system is included in government school expenditure. However, government expenditure on the administration of private school regulation and funding is not included in private school expenditure.
8. Private schools have access to a range of government provided professional services such as resource centres, assistance for student welfare and guidance, professional development and curriculum development free of charge. These shared services to private schools provided are generally included in expenditure on government schools and are not included in private school expenditure.

9. Expenditure in government schools funded by private-sourced contributions such as fees and donations is not included in government school expenditure.

Further detail on what is included (and excluded) in official government school expenditure figures is available from the manual used by the Ministerial Council on Education, Early Childhood and Youth Affairs to construct the data series [MCEEDYA 2008].

## **A2. Adjustments made to official figures**

The following adjustments were made in this paper to the expenditure figures published in the National Report on Schooling in Australia to make the comparisons of government and private school expenditure more compatible:

1. The imputed user cost of capital is excluded from government school expenditure. Source: National Report on Schooling in Australia.
2. Depreciation is excluded from government school expenditure. Source: Report on Government Services.
3. Capital expenditure is included in government school expenditure. Source: National Report on Schooling in Australia.
4. Payroll tax is excluded from government school expenditure. Source: Payroll tax rates published by the NSW Treasury applied to government school salaries.
5. Private school expenditure is converted to a financial year basis.

It is not possible to adjust for all the differences in the way in which government and private school expenditure data is compiled. Figures are not published for government school student transport, the revenue cost of tax deductible donations in government and private schools, expenditure on administration of funding and regulation of private schools, expenditure on shared government services for private schools and private financial contributions to government schools.

## Appendix B: School Expenditure Tables

**Table B1: Total Expenditure by Government and Private Schools, 1998-99 and 2007-08 (\$ per student)**

	Government		Catholic		Independent		All Private	
	1998-99	2007-08	1998-99	2007-08	1998-99	2007-08	1998-99	2007-08
NSW	6215	10578	5607	10499	8811	15921	6572	12434
Vic	6044	9858	5371	10031	9208	16605	6645	12578
Qld	6573	10311	5670	10721	7598	14017	6457	12185
WA	6707	12688	5584	9982	7933	13972	6435	11783
SA	6512	10915	5846	11207	7214	12753	6446	11935
Tas	6703	10752	5326	9933	7158	14717	6035	11849
ACT	7039	13679	5241	9891	8171	14844	5978	11438
NT	10721	16918	5636	12379	8832	16704	7058	14588
Australia	6402	10723	5550	10399	8373	15147	6528	12303

Source: See Appendix C

**Table B2: Increase in Total School Expenditure Adjusted for Inflation, 1998-99 to 2007-08**

	Government		Catholic		Independent		All Private	
	\$ per student	Growth per year (%)	\$ per student	Growth per year (%)	\$ per student	Growth per year (%)	\$ per student	Growth per year (%)
NSW	1141	1.89	1682	2.96	2235	2.54	2057	3.07
Vic	1074	1.83	1842	3.33	2669	2.87	2374	3.45
Qld	574	0.93	1686	2.93	1993	2.62	1892	2.90
WA	2198	3.20	1409	2.53	1649	2.12	1726	2.68
SA	1114	1.77	1981	3.29	1693	2.37	1890	2.90
Tas	950	1.48	1738	3.19	3305	4.31	2391	3.78
ACT	2637	3.60	1777	3.30	2356	2.86	2135	3.45
NT	1652	1.60	3382	5.36	3178	2.47	3488	4.56
Australia	1147	1.85	1739	3.07	2207	2.63	2081	3.12

Source: See Appendix C

## Appendix C: Data Sources

### **Government schools:**

*National Report on Schooling in Australia.*

Expenditure excluding the imputed user cost of capital for 1998-99 is from the *Report on Government Services 2002*.

Depreciation expenditure is from the *Report on Government Services*.

Payroll tax rates are from NSW Treasury, *Interstate Comparison of Taxes* for 1997-98 and 2007-08, and applied to total school salary expenditure published in the *National Report on Schooling in Australia*.

### **Private schools:**

*National Report on Schooling in Australia.*

The figures for Federal Government funding for private schools in 2001 are what would have been provided under the Education Resources Index arrangements. The figures are from 2006-07 Senate Estimates, Answer to Question on Notice E525\_07, Attachment A:

[http://www.aph.gov.au/Senate/committee/eet\\_ctte/estimates/sup\\_0607/dest/index.htm](http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/sup_0607/dest/index.htm)

The figures for Federal Government funding of private schools in 2009 and 2010 are from 2009-10 Senate Estimates, Answer to Question on Notice EW0109\_10, Attachment A:

[http://www.aph.gov.au/Senate/committee/eet\\_ctte/estimates/bud\\_0910/index.htm](http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/bud_0910/index.htm).

### **Inflation adjustments:**

The ABS Labour Price Index (converted to 1998-99 = 100) for the public sector in each state/territory and Australia was used to adjust government and private school recurrent expenditure for the effect of inflation.

The ABS Producer Price Index for Non-residential Building Construction (1998-99 = 100) in each state/territory and Australia was used to adjust government and private school capital expenditure for the effect of inflation.

### **Enrolment characteristics:**

Students from low income families: Barbara Preston, *The Social Make-up of Schools*, 2007.

Students with disabilities: Department of Education, Employment and Workplace Relations, unpublished.

Indigenous students: ABS, *Schools Australia*.

Students in provincial areas: *Report on Government Services 2010*. Provincial areas are as defined by the Geographical Location classification agreed by the Ministerial Council for Education, Employment, Training and Youth Affairs.

Students in remote/very remote areas: Department of Education, Employment and Workplace Relations, unpublished. Remote and very remote areas are as defined for the Accessibility/Remoteness Index of Australia by the Australian Bureau of Statistics.

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