

**Education Research Brief**

# **Tasmanian Governments Have Slashed Funding of Public Schools**

**A Report to the Tasmanian Branch of the Australian Education Union**

**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)

## 1. Overview

Government funding of private schools in Tasmania has increased by seven times that for public schools in recent years. The Tasmanian Labor Government slashed state funding for public schools between 2009-10 and 2013-14 and the Liberal Government cut further in 2014-15. Overall, public school funding increased slightly but this was due to increased Commonwealth funding and it was far outstripped by a large increase in total government funding of private schools.

Despite its claim that it is delivering on the state's commitment to the six-year Gonski funding plan, the figures from the Productivity Commission's latest Report on Government Services (ROGS) show that the Hodgman Liberal Government failed to honour its commitment in its first year of office. It cut funding per student, adjusted for inflation, in both public and private schools.

The latest results from the OECD's Programme for International Student Assessment (PISA) show that Tasmania has the worst school results in Australia with high proportions of students not achieving international minimum standards. Results have continued to decline since 2009. Low socio-economic status (SES) and Indigenous students are up to four years behind their high SES peers and large proportions do not achieve expected minimum standards. Tasmania has the largest proportion of low SES students in Australia and 85% attend public schools.

Continued under-resourcing of Tasmanian public schools will make it virtually impossible to reverse the long-term decline in student results in Tasmania or reduce the high proportion of disadvantaged students not achieving expected standards and the very large achievement gaps between advantaged and disadvantaged students.

Funding the final years of Gonski is critical for public schools and the future achievement of disadvantaged students. Gonski must be resurrected, not further demolished, at the forthcoming meeting of the national education ministers' council.

## 2. Government funding of Tasmanian schools

After adjusting for rising costs and excluding book entry and other non-classroom items, total government (Commonwealth and state) funding of public schools in Tasmania increased by \$260 per student between 2009-10 and 2014-15 while government funding for private schools increased by \$1,280 per student [Chart 1, see attachment].<sup>1</sup> The real dollar increase per student in private schools was nearly five times that of the increase in public schools. The percentage increase for private schools was 13.8% compared to only 1.9% for public schools [Chart 2], that is, seven times the increase for public schools.

Commonwealth Government funding for public schools, adjusted for inflation, increased by \$825 per student (41.3%) but Tasmanian Government funding was cut by \$566 per student (-4.9%). The Tasmanian Labor Government reduced funding for public schools by \$400 per student between 2009-10 and 2013-14, an average cut of \$100 per student per year. Despite its claim that it is

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<sup>1</sup> The funding figures for public schools published in the Report on Government Services include book entry items (user cost of capital, depreciation) and other items (payroll tax, school transport) that do not deliver any funding for use in the classroom and over-estimate funding for public schools in comparison with private schools. These items accounted for 24% of Tasmanian Government funding for public schools in 2014-15 and their increase between 2009-10 and 2014-15 accounted for 40% of the nominal increase in state funding. They are not included in figures for government funding of private schools. See Attachment table.

delivering on the State's commitment to the Gonski plan, the Liberal Government made a deeper cut of \$166 per student in its first year of office in 2014-15 (see Attachment table).<sup>2</sup>

Commonwealth Government funding of private schools increased by \$1,262 per student (18.4%) between 2009-10 and 2014-15 and Tasmanian Government funding increased by \$18 per student (0.8%). The Labor Government increased funding for private schools by \$136 per student between 2009-10 and 2013-14 while cutting funding for public schools, but the Liberal Government cut private school funding by \$118 per student in 2014-15.

In the first financial year of the Gonski funding plan, total government funding for public schools increased by \$209 per student (1.5%) and funding for private schools increased by \$372 per student (3.7%). These increases were entirely due to increased Commonwealth Government funding – it increased for public schools by \$375 per student (15.3%) and for private schools by \$490 per student (6.4%). These increases were partially offset by the decreases in State government funding of \$166 per student (-1.5%) in public schools and \$118 per student (-4.7%) in private schools.

Prior to the introduction of the National Education Reform Agreement (NERA), known as the Gonski funding plan, in January 2014 there were three main sources of the increase in Commonwealth Government recurrent funding from 2009 – specific purpose payments for schools, several national partnership programs (such as the Smarter Schools partnerships, including Low Socio-Economic Status Communities, Literacy and Numeracy, and Improving Teacher Quality) and Commonwealth own-purpose programs.<sup>3</sup> Some of the national partnerships required contributions by state and territory governments.

The NERA provided for two sources of funding increases – 'Gonski' additional funding to ensure all schools are funded at 95 per cent of their SRS by 2019 and annual baseline indexation to maintain past funding effort.<sup>4</sup>

The Giddings Labor Government signed the NERA with the Commonwealth Government in July 2013.<sup>5</sup> Under the agreement, an additional \$380 million was to be provided to Tasmanian schools over six years from 2014 with the Commonwealth Government providing \$248 million and the Tasmanian Government \$134 million.<sup>6</sup> In addition, the Commonwealth Government agreed to maintain its existing funding in 2013 indexed at 4.7% a year and the Tasmanian Government agreed to maintain its existing funding indexed at 3% a year.

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<sup>2</sup> Jeremy Rockliff, Submission to Senate Select Committee on School Funding Investment, Submission No. 31. [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/School\\_Funding\\_Investment/SchoolFundingInvestment/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/School_Funding_Investment/SchoolFundingInvestment/Submissions)

<sup>3</sup> Marilyn Harrington, Australian Government Funding for Schools Explained: 2013 Update, Parliamentary Library, 8 March 2013, p. 4. [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BN/2012-2013/schoolfunding](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2012-2013/schoolfunding)

<sup>4</sup> Council of Australian Governments, National Education Reform Agreement, 2013, pp. 18-19.

<sup>5</sup> The Tasmanian Government was subsequently deemed to be a non-participating state because it did not sign a bilateral agreement with the Commonwealth before the caretaker period for the September 2013 election. However, non-participating states are effectively funded as if they were participating states. See Senate School Funding Select Committee, Hansard, 18 February 2014, pp. 1, 3. [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/School\\_Funding/School\\_Funding/Public\\_Hearings](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/School_Funding/School_Funding/Public_Hearings)

<sup>6</sup> Heads of Agreement Between the Commonwealth of Australia and the State of Tasmania on National Education Reform, p. 3.

The Abbott and Turnbull Governments refused to fund the last two years of the Gonski plan. This amounts to a loss of additional funding of about \$138 million as the increase over the four years to 2017 was estimated at \$110 million.<sup>7</sup> A further loss will also be incurred if indexation post-2017 is reduced from 4.7% per annum to 3.56% as announced in the 2016-17 Commonwealth Budget.<sup>8</sup> The Abbott Government also released the state and territory governments from commitments to increase funding.

The new Tasmanian Liberal Government took advantage of this and its status as a non-participating state to renege on the commitment to the Gonski plan by the previous Labor Government. This commitment would have seen increased funding of public schools in 2014-15 by approximately \$26 million in current dollar figures, which included the additional Gonski funding ( $\approx$  \$7.5m), funding for indexation ( $\approx$  \$22m) and a cut due to enrolment decline ( $\approx$  -\$3.5m).<sup>9</sup> Instead, the Liberal Government increased funding by only \$9.4 million (excluding book entry and other items).<sup>10</sup> This was not enough to keep pace with rising costs with the result that real funding per student declined as shown above. The Government also failed to increase its funding for private schools as originally agreed under the Gonski plan. The total funding increase for Tasmanian private schools for 2014-15 was estimated at about \$3.5 million, instead funding was cut by \$783,000.

### **3. Continued under-resourcing of public schools means continuing poor results**

It was estimated that Tasmanian public schools were operating at 92% of the Schooling Resource Standard (SRS) in 2014.<sup>11</sup> The refusal of the Turnbull Government to complete the Gonski funding program, the likely reduction in Commonwealth Government indexation of school funding and cuts in state funding mean that Tasmanian public schools will continue to be under-resourced and there is now very little prospect that they will ever be funded at their SRS.

Continued under-resourcing of Tasmanian public schools will make it virtually impossible to reverse the long-term decline in student results in Tasmania or reduce the high proportion of disadvantaged students not achieving expected standards and the very large achievement gaps between advantaged and disadvantaged students.

The 2015 PISA results show that Tasmanian students had the lowest average results in mathematics and science in Australia in 2015 about the equal lowest results in reading.<sup>12</sup> Average reading,

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<sup>7</sup> Senate Select Committee on School Funding, Document tabled by Mr Cook, Associated Secretary, Department of Education, at the public hearing in Canberra on 16/5/14: Answers to questions provided prior to the hearing by Senator Wright, Question No.1, Additional Document No. 20. [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/School\\_Funding/School\\_Funding/Additional\\_Documents](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/School_Funding/School_Funding/Additional_Documents)

<sup>8</sup> Australian Government, *Quality Schools, Quality Outcomes*, May 2016, p. 14. <https://docs.education.gov.au/node/40671>

<sup>9</sup> Senate Standing Committee on Education and Employment, Additional Budget Estimates 2013-14, Answer to Question on Notice No. ED0264\_14, Attachment A. [http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/eetctte/estimates/add1314/educationindex](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/eetctte/estimates/add1314/educationindex)

<sup>10</sup> See Attachment table.

<sup>11</sup> Senate Standing Committee on Education and Employment, Additional Estimates 2014-2015, Answer to Question on Notice No. SQ15-000244. [http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/eetctte/estimates/add1415/Education/index](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/eetctte/estimates/add1415/Education/index)

<sup>12</sup> Thomson, Sue; De Bortoli, Lisa & Underwood, Catherine, *PISA 2015: Reporting Australia's Results*, Australian Council for Educational Research, Camberwell. <https://www.acer.org/about-us/media/media-releases/full-timss-and-pisa-results-time-to-address-disadvantage-is-now>

mathematics and science scores have continued to fall since 2009. The reading scores fell by 13 points on the PISA scale, mathematics fell by 18 points and science fell by 14 points. These falls are equivalent to about half a year of learning. Large declines also occurred in earlier years.

In addition, one-quarter to one-third of Tasmanian students are below international minimum standards and the proportions have increased since 2009. In 2015, 27% of Tasmanian students did not achieve the minimum standard in reading – up from 23% in 2009; 32% did not achieve the mathematics standard – up from 24% in 2009; and 26% did not achieve the science standard – up from 20% in 2009.

The latest NAPLAN results show large gaps in achievement between disadvantaged and advantaged students.<sup>13</sup> In 2016, low SES Year 9 students in Tasmania were about 3½-4 years of learning behind their high SES peers in reading, writing and numeracy. Indigenous Year 9 students were also 3½-4 years behind high SES students. Much higher proportions of low SES and Indigenous students do not achieve national minimum standards than high SES students.

The report on Australia's PISA 2015 results also shows that low SES students in Tasmania perform significantly worse than low SES students in all other states and territories except for the Northern Territory [Figure 6.3, p. 211]. The achievement gap between the lowest and highest SES students in Tasmania is larger than in other jurisdictions except Queensland [p. 210]. In addition, the impact of socioeconomic background on school results is significantly higher in Tasmania than for all other jurisdictions except the ACT and the Northern Territory.

The report also shows that Tasmania has a larger proportion of low SES students than any other jurisdiction except the Northern Territory, with 35% of Tasmanian students from low SES families [Figure 6.10, p. 222]. The next largest is Queensland with 29%. Data from My School show that the vast majority of low SES and Indigenous students in Tasmania are enrolled in public schools - about 85% of low SES students and 81% of Indigenous students.

The funding cuts to public schools in Tasmanian mean that disadvantaged students have been abandoned by successive state governments. The neglect is reprehensible. Despite the low levels of achievement by low SES and Indigenous students in Tasmania and the very large gaps in achievement between advantaged and disadvantaged students, funding for public schools has been drastically cut by successive state governments while overall government funding for private schools increased. The needs of disadvantaged students have been sacrificed to the altar of increasing privilege in education for the well-off.

#### **4. Future funding arrangements**

The Federal Education Minister, Simon Birmingham, has criticised state governments for not maintaining their funding effort in school education over recent years while the Commonwealth has increased its funding. But one of the first steps taken by the Abbott Government was to scrap the obligations on the states to increase their funding in line with Commonwealth increases under the Gonski funding plan. The then education minister, Christopher Pyne, derided the conditions attached to Commonwealth funding under the plan as Canberra 'command and control' measures and said that "it would be up to the states to decide whether they spend their money or not because they are sovereign Governments and should be treated like adults".<sup>14</sup>

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<sup>13</sup> Australian Curriculum, Assessment and Reporting Authority 2016, NAPLAN Achievement in Reading, Writing, Language Conventions and Numeracy: National Report for 2016, ACARA, Sydney.

<http://www.nap.edu.au/results-and-reports/national-reports>

<sup>14</sup> Christopher Pyne, Press Conference – Adelaide, 28 November 2013.

<https://ministers.education.gov.au/pyne/press-conference-adelaide>

This reversed a long history of the Coalition using tied grants for various programs. As the former Prime Minister, John Howard, said:

We don't want this money disappearing into state bureaucracies and redirected. It's not good enough just for the states to say give us more money and we'll decide how to spend it....the idea that we should just hand more money over to the States for them to decide how it's going to be spent – we're not just going to accept that.<sup>15</sup>

Releasing the states and territories from their commitments under the Gonski funding plan was opportunistic and hypocritical; conditions attached to Commonwealth funding for health, housing and other services were maintained. The selective dropping of funding conditions in education was designed to destroy Gonski. And, as the states have primary responsibility for funding public schools, it has further undermined the ability of public schools to cater for their students.

It seems that the Turnbull Government has had a change of heart. It now says that it will require the states and territories to at least maintain the real level of their per student funding as a condition of Commonwealth funding in the future.<sup>16</sup> While a welcome move, it is not enough – the states must be required to increase the real level of funding as agreed under the Gonski funding plan and the Turnbull Government must do likewise. The increases must be well targeted to disadvantaged schools and students and not favour well-off private schools as they have in the past.

Numerous academic studies over the past 20 or more years have demolished the claims of the Prime Minister and the Federal Education Minister that increasing funding for disadvantaged students will not achieve better results.<sup>17</sup> Six studies published in the last year alone show that increased funding targeted at disadvantaged students significantly improves school results.<sup>18</sup>

The forthcoming meeting of national education ministers is critical to the future funding of disadvantaged schools and students. The Turnbull Government, the Tasmanian Government and other state and territory governments must all agree to give priority to increasing funding to reduce disadvantage in education.

Increasing funding for public schools is a matter of social justice to improve the life opportunities of disadvantaged students. Otherwise, the life chances of hundreds of thousands of disadvantaged students will continue to be severely curtailed. It means a future of unemployment, low income and poverty for many which contributes to social alienation and division. Disadvantaged students should expect to achieve similar levels of education achievement as high SES students. In the words of the former Liberal leader, John Hewson, they should be able to “share in the life, ambitions and achievements of the rest of our society”.<sup>19</sup>

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<sup>15</sup> ABC AM, John Howard promises to spend another \$6 billion, 27 September 2004.

<http://www.abc.net.au/am/content/2004/s1207643.htm>

<sup>16</sup> Australian Government, *Quality Schools, Quality Outcomes*, May 2016, p. 14.

<https://docs.education.gov.au/node/40671>

<sup>17</sup> Trevor Cobbold, *Money Matters in Education*, Education Research Brief, Save Our Schools, 26 July 2014.

<http://www.saveourschools.com.au/funding/money-matters-in-education>

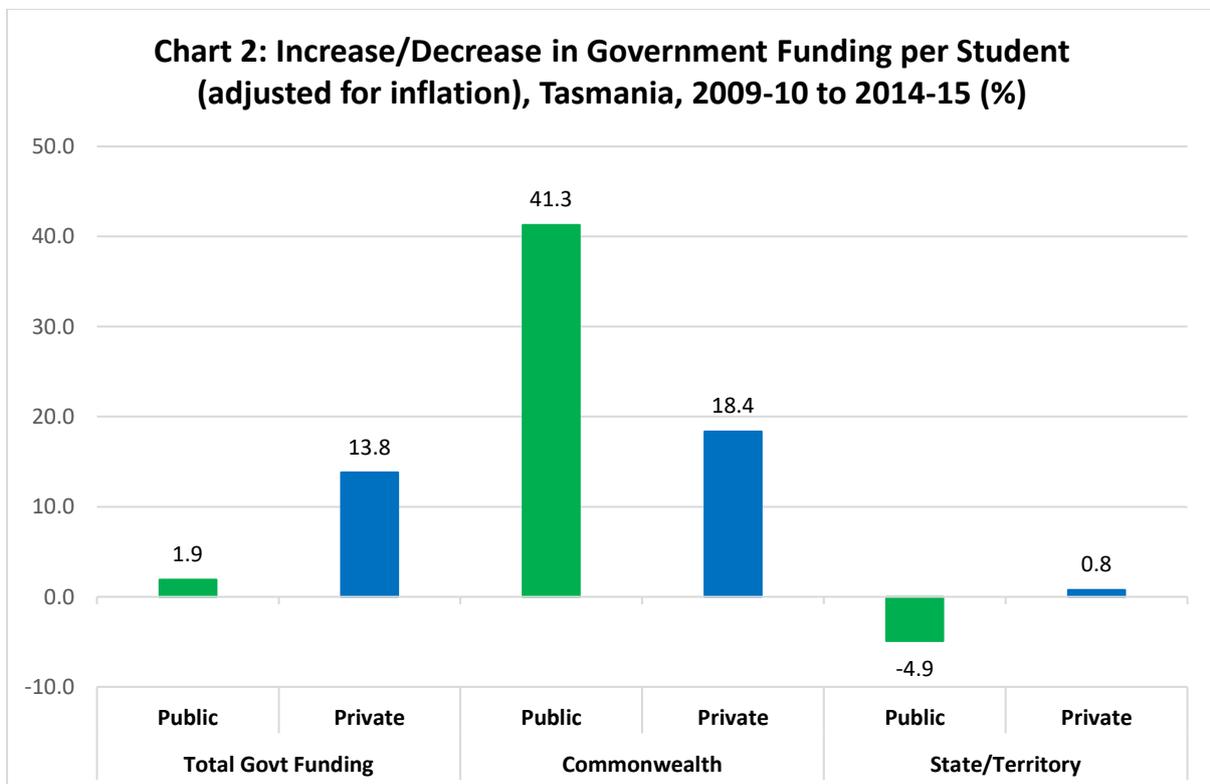
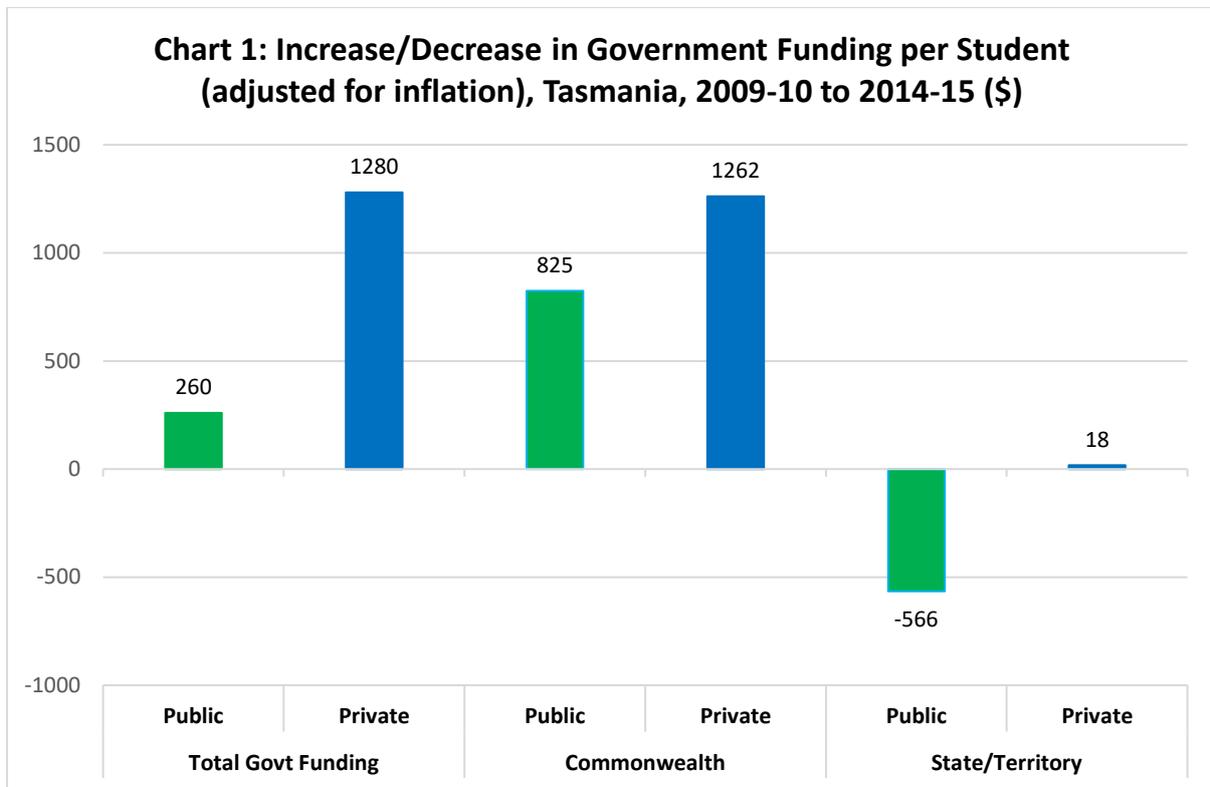
<sup>18</sup> Trevor Cobbold, *New Study Shows That More Money Improves Results of Disadvantaged Students*, Save Our Schools, 8 February 2017. <http://www.saveourschools.com.au/funding/new-study-shows-that-more-money-improves-results-of-disadvantaged-students>

<sup>19</sup> John Hewson, *I'm no socialist, but markets need to work for the greater benefit of everyone*, *The Age*, 17 March 2017. <http://www.theage.com.au/comment/when-services-are-privatised-there-must-be-accountability-20170315-guz660.html>

It is also a matter of social policy as higher education outcomes lead to reduced poverty and better health and welfare outcomes. It is also a matter of economic policy. Bringing all students up to a basic level of education increases work force skills, productivity and economic growth.

For all these reasons, Gonski must be resurrected at the next national education ministers' council meeting, not further demolished.

## Attachment: Charts and Table on Government Funding of Tasmanian Schools



## Government Funding of Tasmanian Schools 2009-10 to 2014-15

	2009-10	2013-14	2014-15	Change 2009-10 to 2014-15		Change 2013-14 to 2014-15	
				\$'000	%	\$'000	%
<b>Total Govt Funding (C/W &amp; State)</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
All Schools	1,019,961	1,182,928	1,226,486	206,525	20.2	43,558	3.7
Commonwealth	236,810	312,447	355,895	119,085	50.3	43,448	13.9
State/Territory	783,151	870,481	870,591	87,440	11.2	110	0.0
Public Schools	834,872	945,962	972,237	137,365	16.5	26,275	2.8
Commonwealth	99,502	134,371	159,753	60,251	60.6	25,382	18.9
State/Territory	735,370	811,591	812,484	77,114	10.5	893	0.1
<i>Less: User Cost of Capital</i>							
Depreciation	78,516	101,494	90,927	12,411	15.8	-10,567	-10.4
Payroll Tax	24,833	42,512	42,762	17,929	72.2	250	0.6
Transport	30,548	35,761	37,563	7,015	23.0	1,802	5.0
Total Exclusions	29,980	23,874	23,845	-6,135	-20.5	-29	0.1
Public Schools less Exclusions	163,877	203,641	195,097	31,220	19.1	-8,544	-4.2
Commonwealth	670,995	742,321	777,140	106,145	15.8	34,819	4.7
State/Territory	99,502	134,371	159,753	60,251	60.6	25,382	18.9
Private Schools	571,493	607,950	617,387	45,894	8.0	9,437	1.6
Commonwealth	185,088	236,966	254,249	69,161	37.4	17,283	7.3
State/Territory	137,308	178,076	196,142	58,834	42.8	18,066	10.1
All Schools less Exclusions	47,780	58,890	58,107	10,327	21.6	-783	-1.3
Commonwealth	856,083	979,287	1,031,389	175,306	20.5	52,102	5.3
State/Territory	236,810	312,447	355,895	119,085	50.3	43,448	13.9
	619,273	666,840	675,494	56,221	9.1	8,654	1.3
				<b>Change 2009-10 to 2014-15</b>	<b>%</b>	<b>Change 2013-14 to 2014-15</b>	<b>%</b>
<b>Enrolments (FTE)</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
Public Schools	58,584	56,562	56,565	-2,020	-3.45	3	0.0
Private Schools	23,488	23,991	24,089	601	2.56	98	0.4
All Schools	82,072	80,553	80,654	-1,419	-1.73	101	0.1
				<b>Change 2009-10 to 2014-15</b>	<b>%</b>	<b>Change 2013-14 to 2014-15</b>	<b>%</b>
<b>Nominal Funding per student</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
All Schools	10,431	12,157	12,788	2,357	22.6	631	5.2
Commonwealth	2,885	3,879	4,413	1,527	52.9	534	13.8
State/Territory	7,545	8,278	8,375	830	11.0	97	1.2
Public Schools	11,453	13,124	13,739	2,286	20.0	615	4.7
Commonwealth	1,698	2,376	2,824	1,126	66.3	449	18.9
State/Territory	9,755	10,748	10,915	1,160	11.9	166	1.5
Private Schools	7,880	9,877	10,555	2,674	33.9	677	6.9
Commonwealth	5,846	7,423	8,142	2,296	39.3	720	9.7
State/Territory	2,034	2,455	2,412	378	18.6	-42	-1.7

Real Govt Funding per student (deflated by WPI)				Change 2009-10 to 2014-15		Change 2013-14 to 2014-15	
	\$	\$	\$	\$	%	\$	%
All Schools	12,276	12,533	12,788	512	4.2	255	2.0
Commonwealth	3,396	3,999	4,413	1,017	29.9	414	10.4
State/Territory	8,880	8,534	8,375	-505	-5.7	-159	-1.9
Public Schools	13,479	13,530	13,739	260	1.9	209	1.5
Commonwealth	1,999	2,449	2,824	825	41.3	375	15.3
State/Territory	11,481	11,081	10,915	-566	-4.9	-166	-1.5
Private Schools	9,274	10,183	10,555	1,280	13.8	372	3.7
Commonwealth	6,880	7,652	8,142	1,262	18.3	490	6.4
State/Territory	2,394	2,531	2,412	18	0.8	-118	-4.7

**Data sources:**

Public school recurrent funding: Productivity Commission, *Report on Government Services*, 2017.

Private school recurrent funding: Productivity Commission, *Report on Government Services*, 2017.

User cost of capital: Productivity Commission, *Report on Government Services*, 2017.

Depreciation expenditure: Productivity Commission, *Report on Government Services*, 2017.

Payroll tax rates: NSW Treasury, *Interstate Comparisons of Taxes*, 2009-10 & 2014-15. Rates are applied to total salary expenditure for public schools sourced from the Productivity Commission, *Report on Government Services*, 2017.

School transport: ABS, *Government Financial Statistics, Education*. Estimated for public schools by pro-rating total school transport expenditure according to the public school share of total enrolments.

Enrolments (Full Time Equivalent – FTE): Productivity Commission, *Report on Government Services*, 2017.

Wage Price Index (WPI): Wage Price Index for Public and Private Education and Training, Australian Bureau of Statistics (re-based to 2014-15 = 100), 2009-10 = 85.0; 2013-14 = 97.0.

**Notes:**

1. The funding figures for public schools derived from the Report on Government Services have been adjusted to exclude the user cost of capital, depreciation, payroll tax and school transport. These items comprise 24% of the Report on Government Services figure for total public school funding in Tasmania in 2014-15 but have no impact on school outcomes. They have increased significantly since 2009-10, accounting for 40% of the current dollar increase in public school funding by the Tasmanian Government. They are not included in figures for government funding of private schools. They are also excluded from the funding figures on the My School website on the advice of the accounting firm Deloitte Australia.

2. The Report on Government Services uses the General Government Final Consumption Expenditure price index to adjust for inflation. However, this price index does not distinguish between different rates of cost increase in different areas of public service provision. Instead, the Wage Price Index for Public and Private Education and Training is used here to deflate nominal funding figures.