

Save Our Schools

Funding, Enrolments and Staffing in NSW Public Schools

**Submission to the Independent Inquiry on the
Teaching Profession in NSW Public Schools**

June 2020

Key Findings

Funding

1. Government funding of NSW public schools increased by only \$983 (7.6%) per student, adjusted for inflation, between 2002-03 and 2017-18, an increase of 0.5% per year.
2. Commonwealth Government funding increased by \$1,470 per student but NSW Government funding was reduced by \$487 per student.
3. The small increase in real funding supported changes in the composition of enrolments and staffing. There also appears to have been a significant re-distribution of funds within the system to employ a larger proportion of administrative staff in schools and in central and regional offices.

Enrolments

4. Total enrolments in NSW public schools increased by 7.4% between 2003 and 2019 with an increase of 11.4% in primary schools and 1.6% in secondary schools.
5. The biggest increases were of disadvantaged students: Indigenous - 92%; disability - 46% and low SES - 13%. These students attract higher than average levels of funding.
6. The increased proportion of students receiving higher funding likely accounted for much, if not all, of the small increase in real funding per student.

Staffing

7. The number of primary school teachers increased by 14.5% between 2003 and 2019 while the number of secondary school teachers fell by 8.4%. The student-teacher ratio in primary schools fell slightly while it increased significantly in secondary schools. These figures may require further investigation due to a change in the classification of teachers in 2018.
8. There were much larger increases in non-teaching staff in schools than in students in both primary and secondary public schools. Total non-teaching staff in primary schools increased by 66.3% and by 27.3% in secondary schools.
 - Administrative and clerical staff increased by 75% in primary schools, 7 times the number of students.
 - Administrative staff in secondary schools increased by 35.6%, over 20 times the number of students.
 - Specialist support staff in primary schools increased by 36.5% but were cut by 5.5% in secondary schools. There were large variations in the number of support staff since 2003.
9. Non-teaching staff comprise a much larger proportion of school staff in 2019 than in 2003. Non-teaching staff in primary schools increased from 22% to 29% of all school staff and from 20% to 26% in secondary schools.
 - Administrative and clerical staff account 86% of non-teaching staff in primary schools and 83% in secondary schools.
 - Specialist support staff account for only a very small proportion of non-teaching staff in schools – 7% in primary schools and 10% in secondary schools.
10. There was also a large increase of 65.7% in out-of-school staff between 2003 and 2019. They consist of staff in central and regional offices.

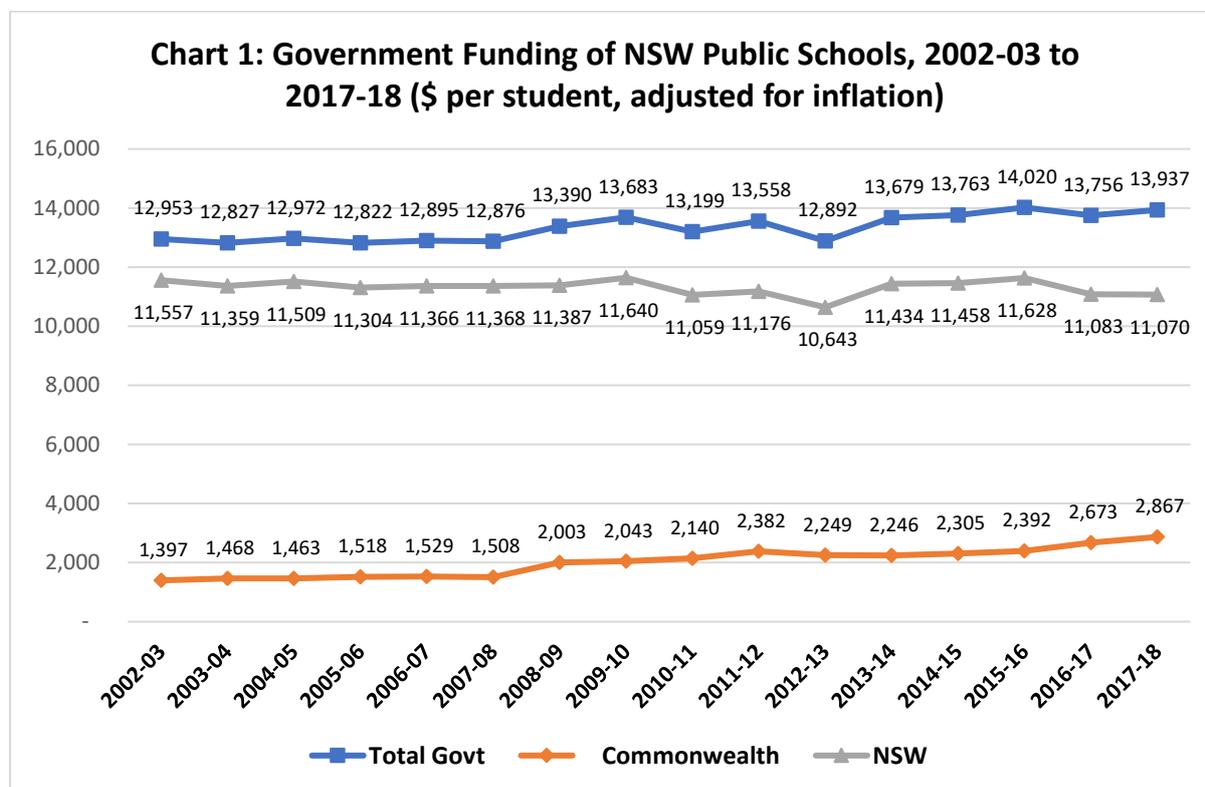
- The large majority out-of-school staff are classified as administrative and clerical staff and they increased by 30.7% between 2015 and 2019, 7 times the increase in students over the same period.
- Executive staff in central and regional offices increased by over 300% from 73 in 2015 to 314 in 2019.

Conclusions

11. The NSW public education system has undergone a huge expansion in bureaucracy since 2003. This is reflected in a massive increase in administrative staff in schools and in central and regional offices that is many times greater than the increase in students. This trend reflects increased regulatory and compliance requirements set by central office. While the increase in administrative staff in schools was intended to reduce the burden on principals, there is widespread concern about the administrative load being carried by teachers in complying with regulatory requirements.
12. The shift to more administrative staff in schools and out-of-schools seems to be a serious misallocation of resources when the priority should be to employ resources that have a direct impact in improving student outcomes generally and increasing equity in outcomes. Much of the funding used to employ the large increases in administrative staff may have been better used to employ more teachers and specialist support staff and invest in measures to attract and re-train teachers in subject areas suffering shortages to improve student outcomes.

1. Funding

Government funding for NSW public schools increased by \$983 (7.6%) per student, adjusted for inflation (“real funding”), over 15 years between 2002-03 and 2017-18 [Chart 1]. This amounted to a compound growth rate of only 0.5% per year or an average increase of \$66 per student per year. The increase was due to increased Commonwealth Government funding of \$1,470 per student. The NSW Government cut its funding by \$487 per student.

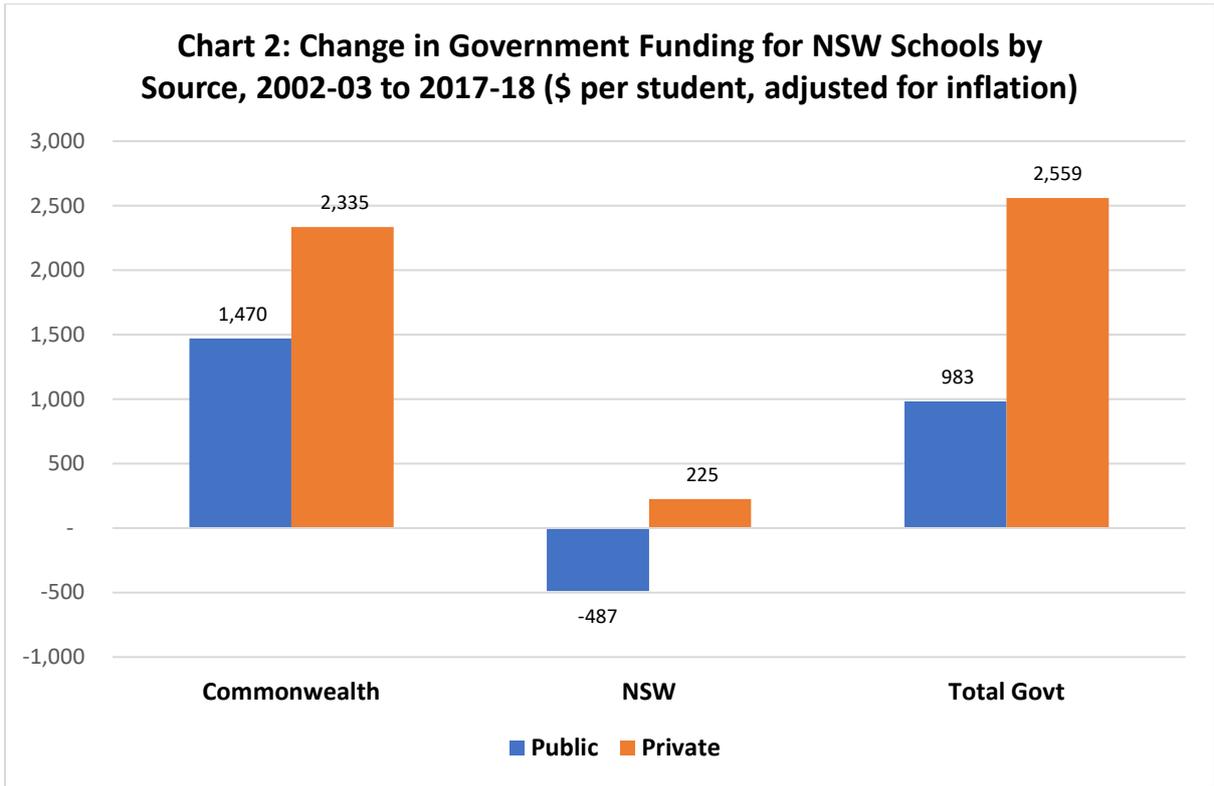


Source: See Attachment A

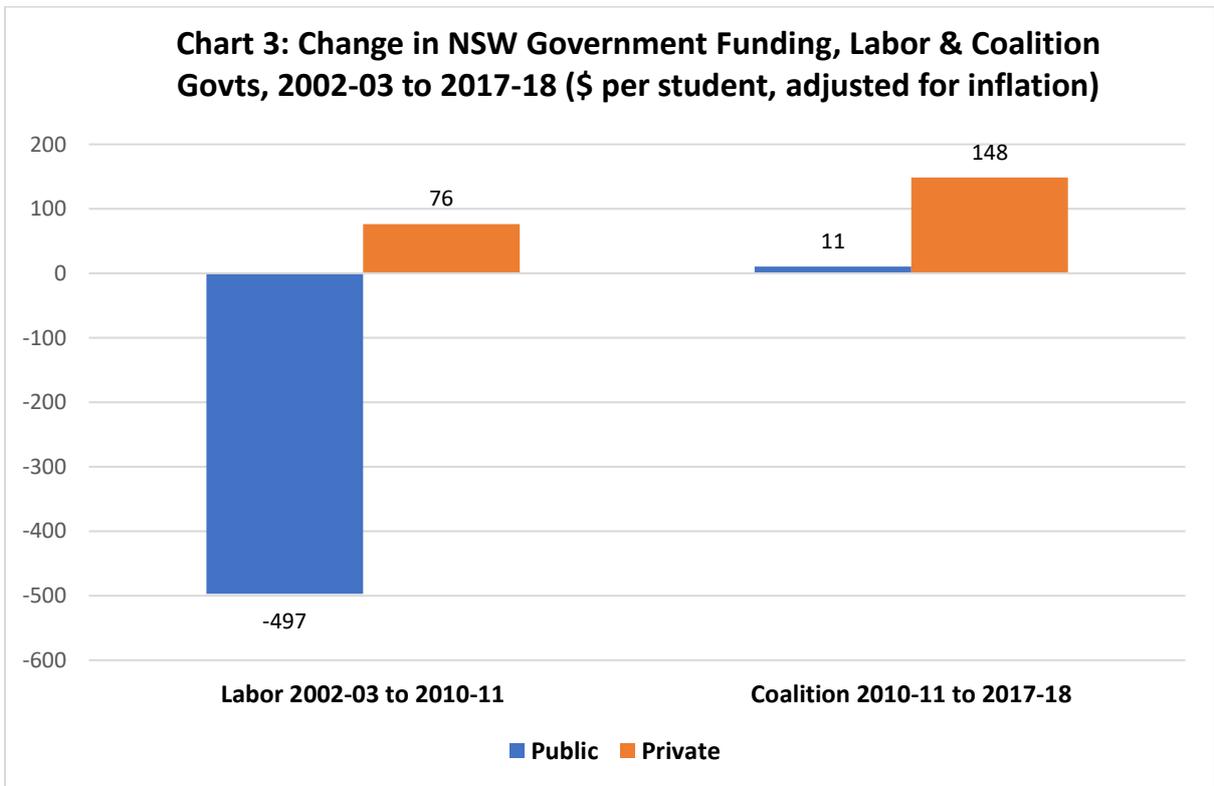
There are three distinct periods in overall government funding: little change in real funding between 2002-03 and 2007-08; fluctuating levels between 2007-08 and 2012-13; an increase of over \$1,000 per student between 2012-13 and 2017-18. NSW Government funding fell between 2002-03 and 2012-13 but then increased to 2015-16. Since then it has declined by nearly \$600 per student. Commonwealth funding increased steadily over the whole period, particularly since 2007-08.

Private schools received significantly larger increases in government funding than public schools. Total government funding increased by \$2,559 per student [Chart 2]. The average increase was \$171 per student which is nearly three times the increase for public schools. Commonwealth Government funding increased by \$2,335 per student and NSW Government funding increased by \$225 per student.

Unfortunately, successive NSW Governments have used the opportunity of increased Commonwealth funding for public schools to cut its own funding. In contrast, they increased funding for private schools to add to the large Commonwealth increase. The previous NSW Labor Government cut real funding to public schools by \$497 per student over 8 years between 2002-03 and 2010-11 [Chart 3]. There was virtually no change in funding under the Coalition Government with an increase of a paltry \$11 per student over the 7 years from 2010-11 to 2017-18. Both the Labor and Coalition Governments increased real funding for private schools.



Source: See Attachment A

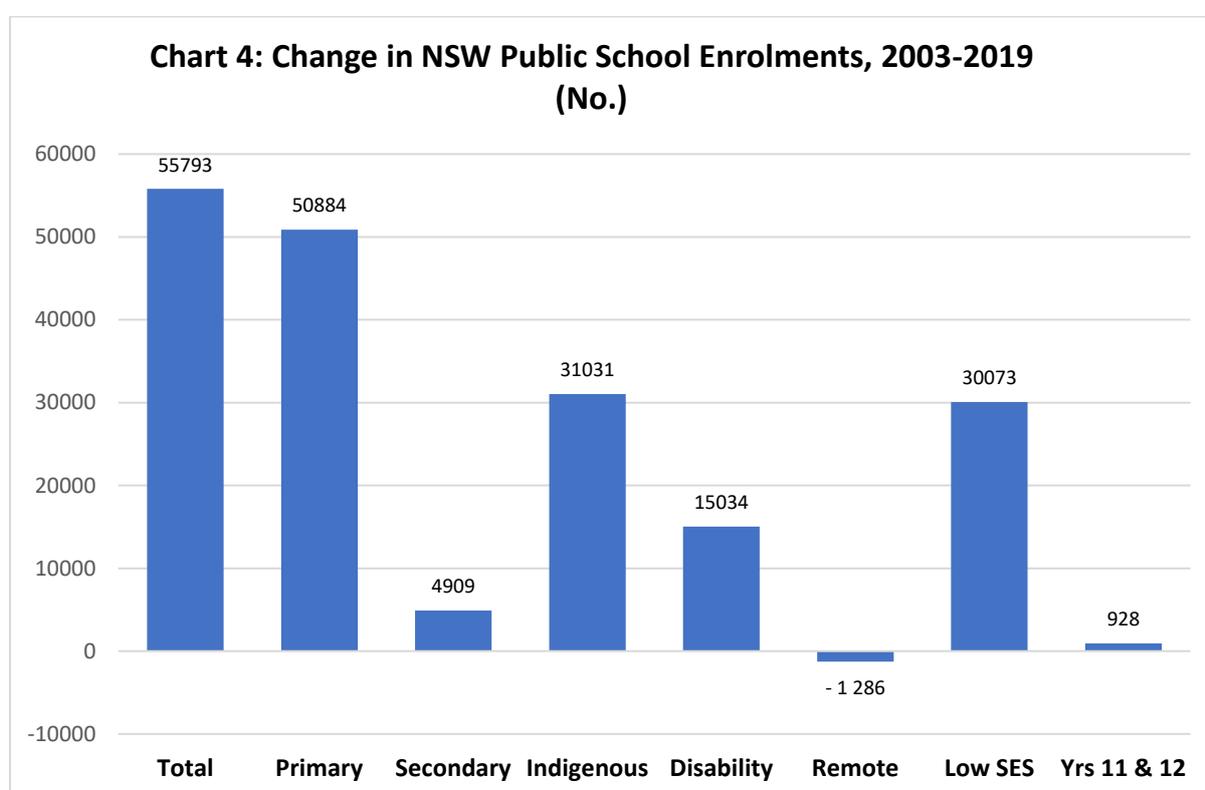


Source: See Attachment A

2. Enrolment trends

Total enrolments in NSW public schools increased by 55,793 between 2003 and 2019, an increase of 7.4% [Charts 4 & 5]. Primary school enrolments accounted for the large part of this overall increase with an increase of 50,884, or 11.4%. Secondary school enrolments increased by 4,909 or 1.6%.

There were large increases in enrolments of students that attract higher than average funding. Enrolments of Indigenous students increased by 31,031 (92.3%) between 2003 and 2019. Enrolments of disability students receiving targeted funding increased by 15,034 (41.6%) between 2003 and 2016. Since then the classification of disability students has changed. Enrolments of low socio-economic status (SES) students increased by 30,073 (13.4%) between 2013 (when data first became available) and 2018 (latest available). There was also a small increase in enrolments in Years 11 and 12 since 2003 of 928 students (1.1%). In contrast, the number of remote area students fell by 1,286 students (-24.5%).



Source: See Attachment A

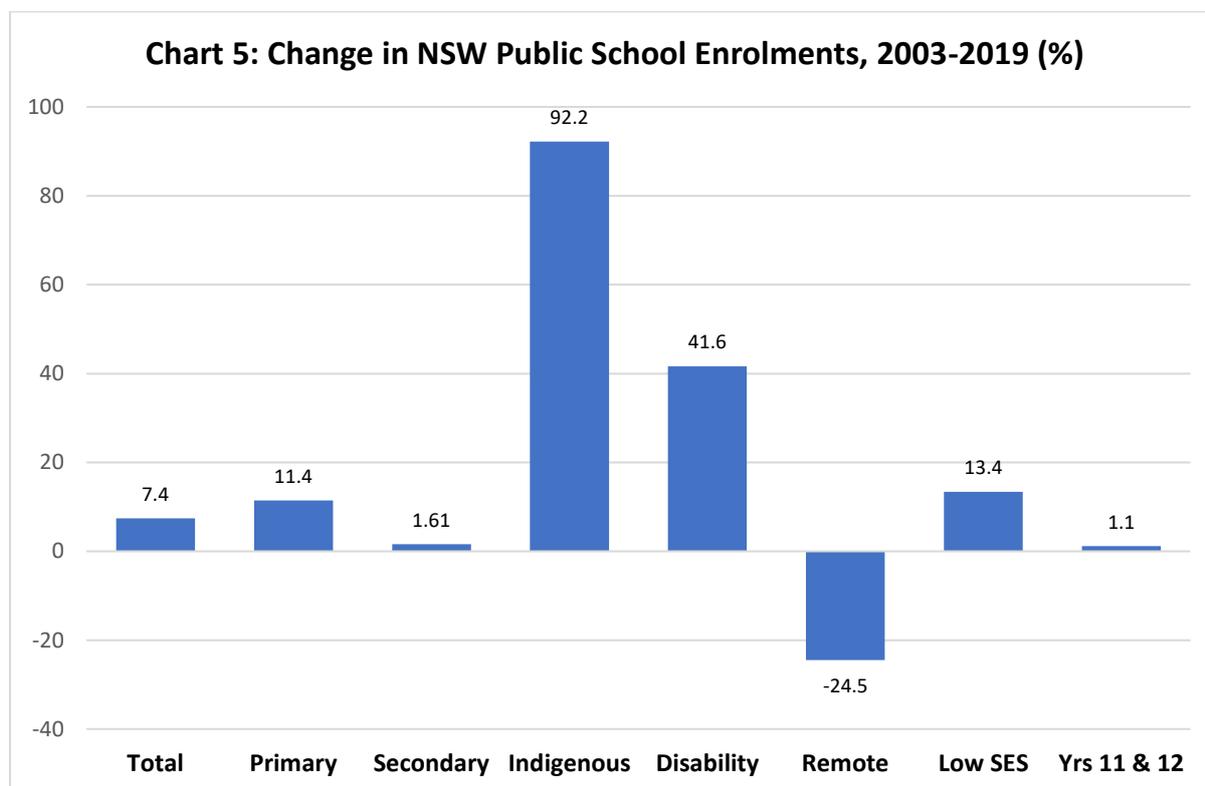
Notes:

1. Enrolments of disability students receiving targeted funding are for 2003 to 2016. Classifications changed after 2016.
2. Low SES enrolments are for 2013 to 2018. Data not previously available.

As a result of these increases there has been a significant change in the composition of higher cost students in NSW public schools. Indigenous enrolments increased from 4.5% of total enrolments in 2003 to 8% in 2019; enrolments of disability students receiving targeted funding increased from 4.8% in 2003 to 6.6% in 2016; and enrolments of low SES students increased from 29.7% in 2013 to 31.9% in 2018. There was little change in the proportion of Year 11 & 12 students in total enrolments and a small reduction in the proportion of remote area students from 0.7% to 0.5%.

It is likely that this change in the composition of enrolments accounts for the large part of the small increase in real funding per student in public schools. For example, the increase in the proportion of

disability students receiving targeted funding together with any significant increase in funding per disability student could account for much of the overall small increase in real funding.



Source: See Attachment A

Notes:

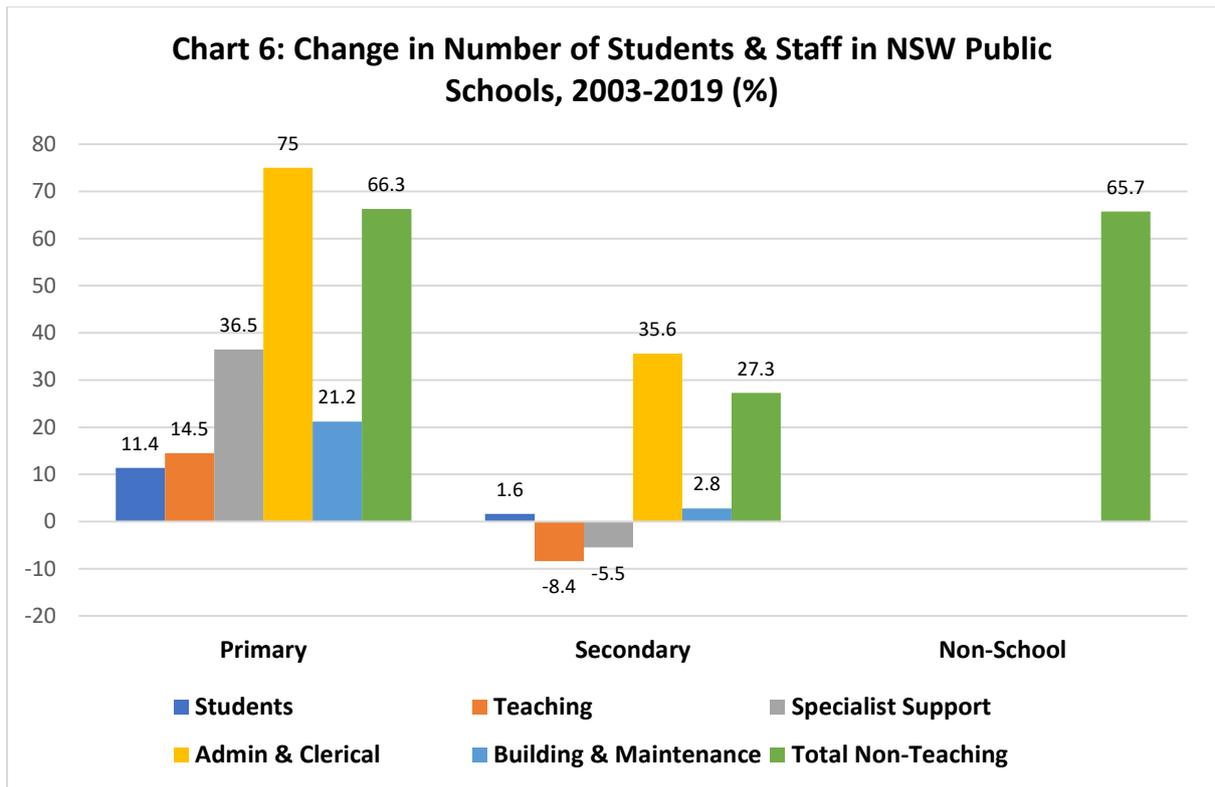
1. Enrolments of disability students receiving targeted funding are for 2003 to 2016. Classifications changed after 2016.
2. Low SES enrolments are for 2013 to 2018. Data not previously available.

3. Staffing trends

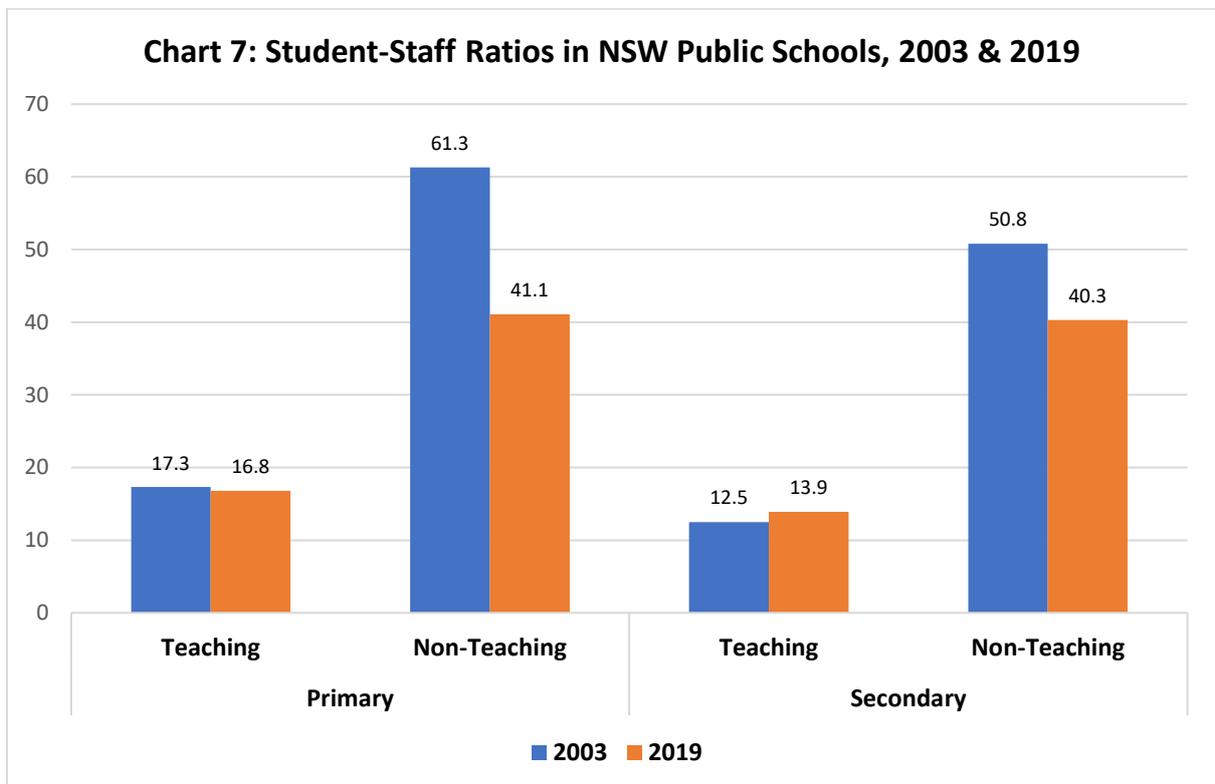
3.1 School staff

Since 2003 the number of primary school teachers increased by more than primary school enrolments - 14.5% compared to 11.4% [Chart 6]. As a result, there was a slight decline in the student-teacher ratio from 17.3 to 16.8 [Chart 7]. In contrast, the number of secondary school teachers fell by 8.4% despite the small increase in secondary school enrolments. As a result, there was a significant increase in the student-teacher ratio in secondary schools from 12.5 to 13.9. However, the changes in the student-teacher ratios may not be accurate because of a change in the classification of teachers from 2019 (see below).

There were much larger increases in non-teaching staff in schools than in teachers in both primary and secondary public schools between 2003 and 2019. Total non-teaching staff in primary schools increased by 66.3% and by 27.3% in secondary schools. The largest increase was for administrative and clerical staff. They increased by 75% in primary schools, which was 7 times the increase in students. They increased by 35.6% in secondary schools which was over 20 the increase in students. One reason for this increase was to reduce the administrative load of principals and senior teaching staff. Specialist support staff in primary schools increased by 36.5% but were cut by 5.5% in secondary schools. Building and maintenance staff increased by 21.2% in primary schools and by 2.8% in secondary schools.



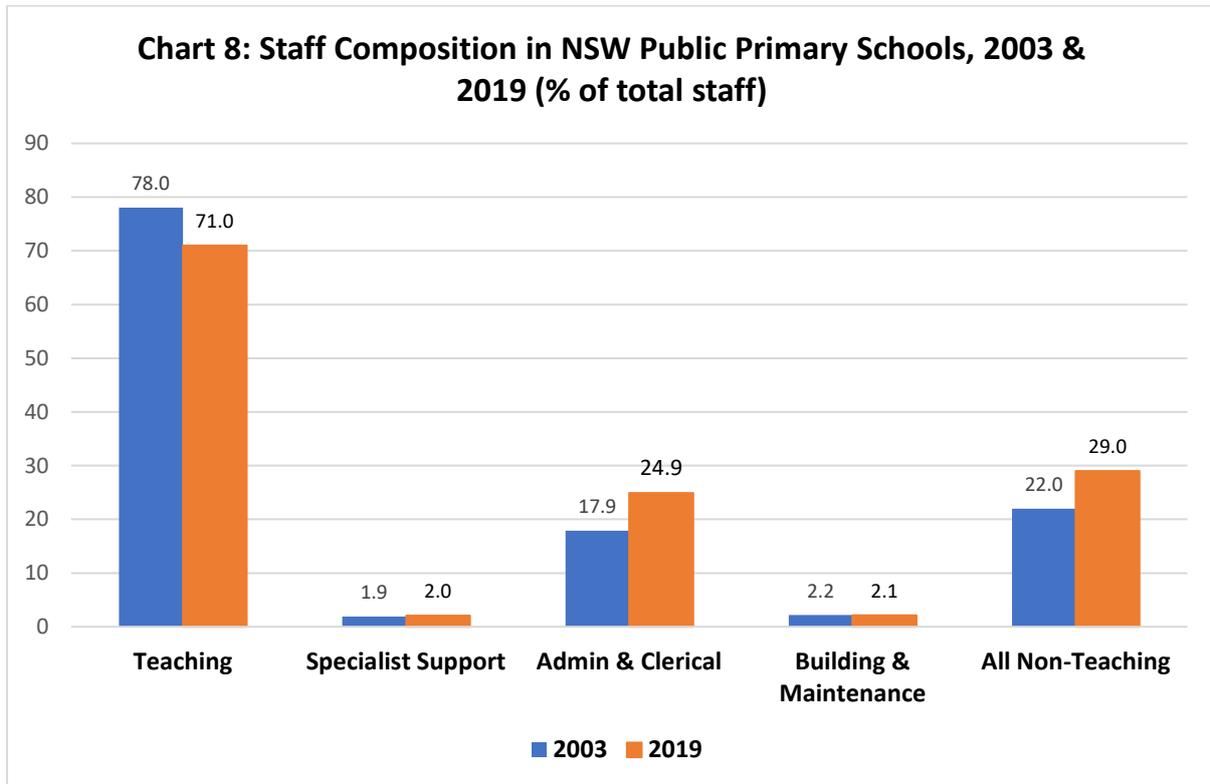
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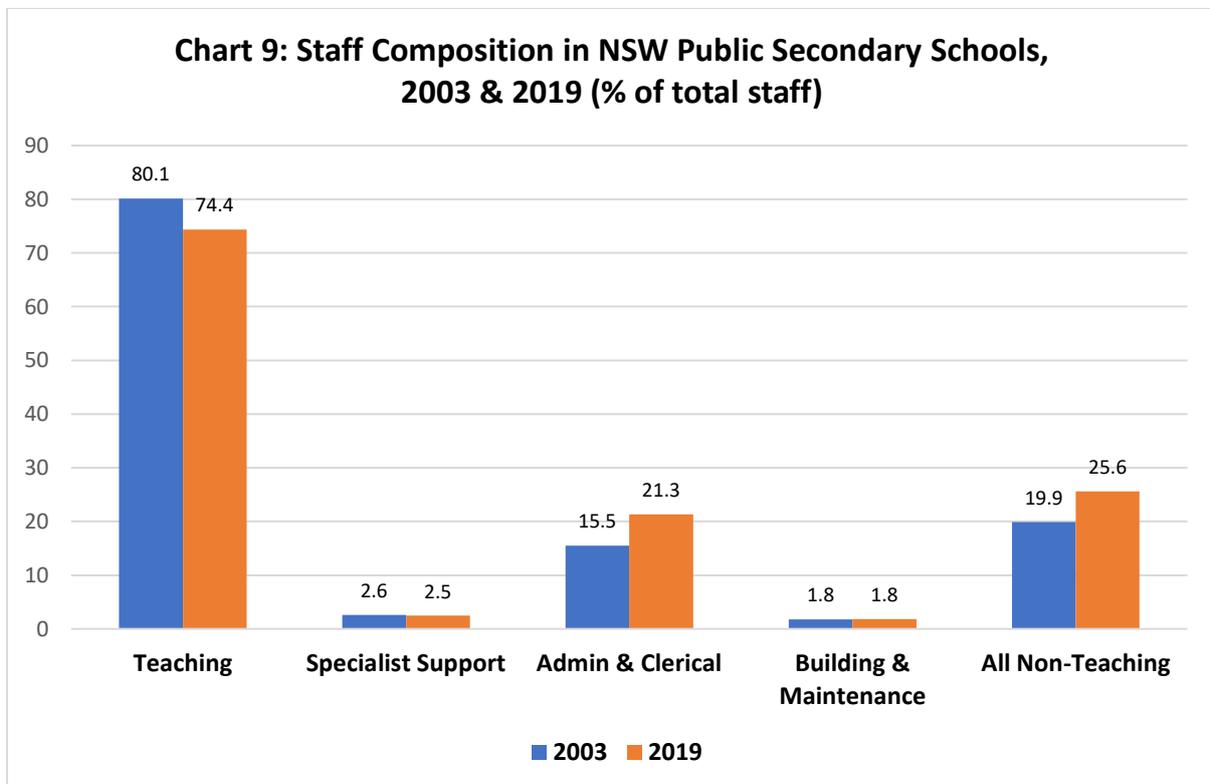
Source: See Attachment A

As a result, the student to non-teaching staff ratio has decreased significantly and by much more than the reduction in the student to teacher ratio in primary schools while the student to teacher ratio in secondary schools increased [Chart 7]. The student to non-teaching staff ratio in primary schools decreased from 61.3 to 41.1, a decrease of 33% compared to the decrease in the student to

teacher of 3%. The student to non-teaching staff ratio in secondary schools decreased by 21% compared to the increase in the student to teaching staff ratio of 11%.



Source: See Attachment A

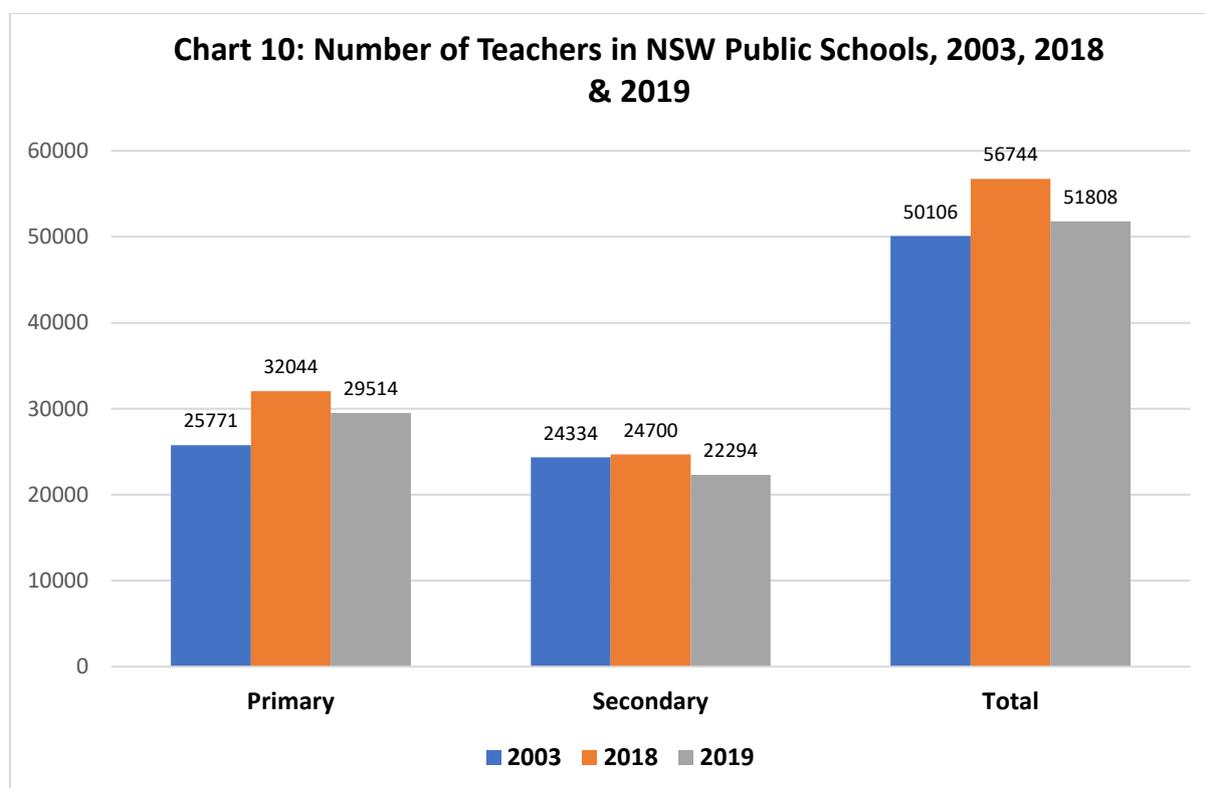


Source: See Attachment A

These staff changes resulted in a significant change in the composition of school staff. Non-teaching staff comprise a much larger proportion of school staff in 2019 than in 2003. Teaching staff in primary schools fell from 78 to 71% of all staff while that of non-teaching staff increased from 22 to 29% [Chart 8]. In secondary schools, the proportion of teaching staff fell from 80.1 to 74.4% while that of non-teaching staff increased from 19.9 to 25.6%. [Chart 9]. Administrative and clerical staff account 86% of non-teaching staff in primary schools and 83% in secondary schools.

3.2 Teaching staff

The changes in teaching staff between 2003 and 2019 are likely to be affected by a change in the NSW Department of Education payroll system in 2018 which enabled better identification of teachers that should be included as ‘generally active’ in schools (see Attachment A). This change coincided with a sharp drop in the number of primary and secondary teachers in 2019 compared with 2018. Primary teacher numbers fell by 2,530, secondary teachers by 2,406 and the total by 4,936 [Chart 10].



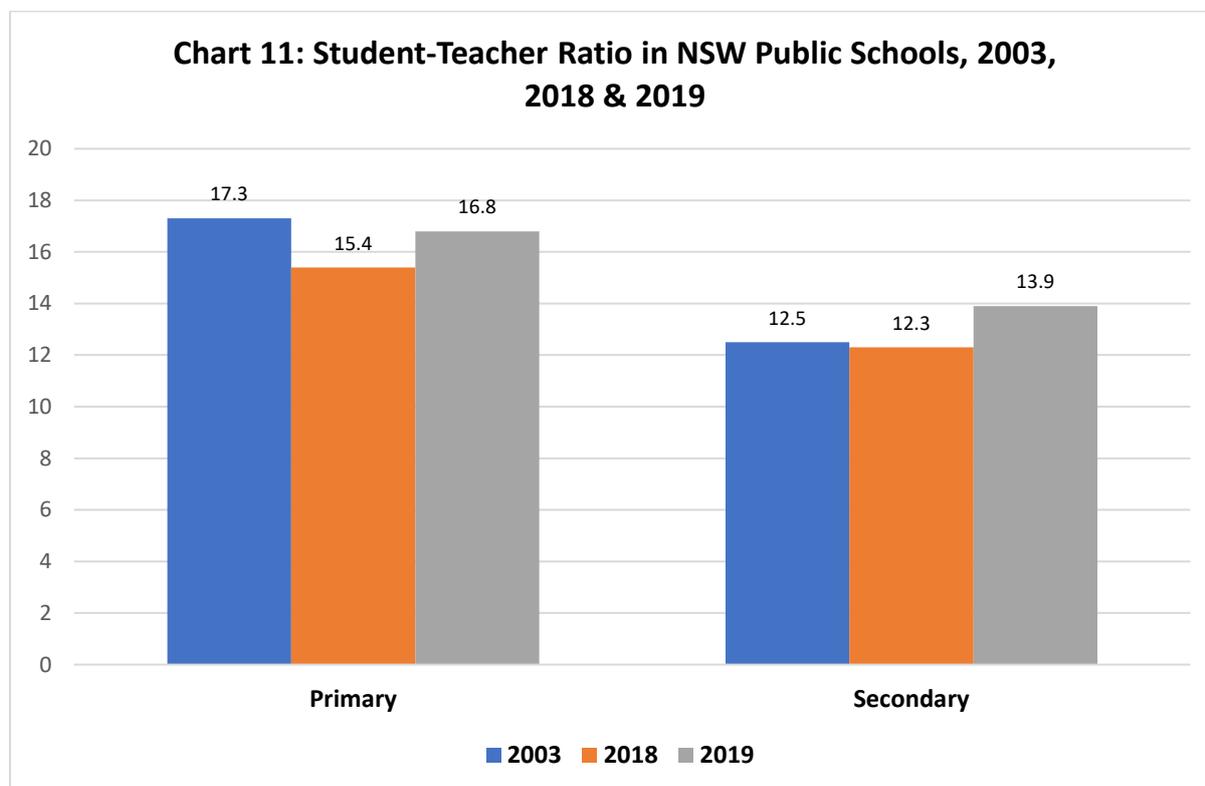
Source: See Attachment A

Apparently, the new system provides stricter controls over the way casual and temporary teachers are engaged and enables better identification of teachers that should be included as “generally active” in schools. The ABS definition of “staff” is those who are “generally active” in schools and it excludes staff replacing those who are temporarily absent.

It is impossible to determine whether the decrease in the number of teachers was wholly due to the change in the how the number is estimated or also reflected a real decrease. However, the 2019 figures suggest that the previous system was over-estimating the number of teachers because it included both temporary absent and casual teachers. As a result, it was under-estimating the workload of teachers because it made the student-staff ratios appear lower than they were.

One effect of the change in estimating the number of teachers is that the increase in primary teachers between 2003 and 2019 may be greater than indicated and the decline in secondary

teachers may be less than indicated if the respective figures for 2003 are over-estimated to any significant degree. It is possible, then, that the decline in the student-teacher ratio in primary schools is greater than indicated in Chart 11, perhaps of the order of one student per teacher - it depends on the extent to which the number of primary teachers was over-estimated in 2003. However, it appears unlikely that there was any significant change in the student-teacher ratio in secondary schools between 2003 and 2019 if teacher numbers were over-estimated for 2003. It is possible that the ratio increased.



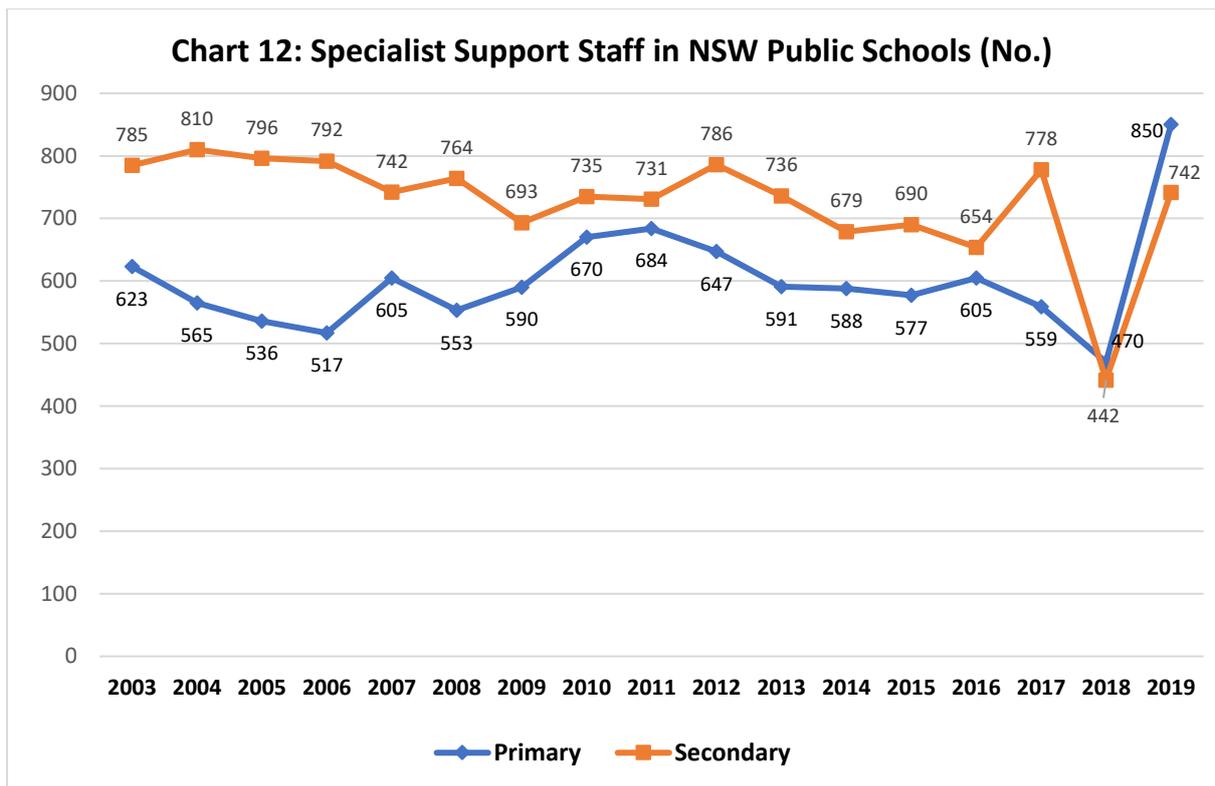
Source: See Attachment A

3.3 Specialist support staff

Specialist support staff cover a range of functions in schools that support teachers in their work. They include teacher aides, student counsellors, career advisors, youth workers, IT technicians and others. They account for only 2% all staff in both primary and secondary schools. They account for about 7% of non-teaching staff in primary schools and about 10% in secondary schools.

While specialist staff have increased significantly in primary schools since 2003 and have reduced in secondary schools, there was considerable variation over the period. Despite the variation, there was a downward trend in specialist support in secondary schools between 2003 and 2016 which resulted in 131 (-17%) fewer in staff [Chart 12]. This was followed by a sharp increase in 2017, a large reduction of 336 (-43%) staff in 2018 and a large increase of 300 (68%) in 2019. Specialist support staff in primary schools increased significantly between 2006 and 2011 and then fell significantly to 2018. There was a large increase in staff in 2019.

There is insufficient data to determine which functions declined or increased and therefore it is not possible to assess the impact of these changes on classroom teaching and learning.



Source: See Attachment A

3.4 Out-of-school staff

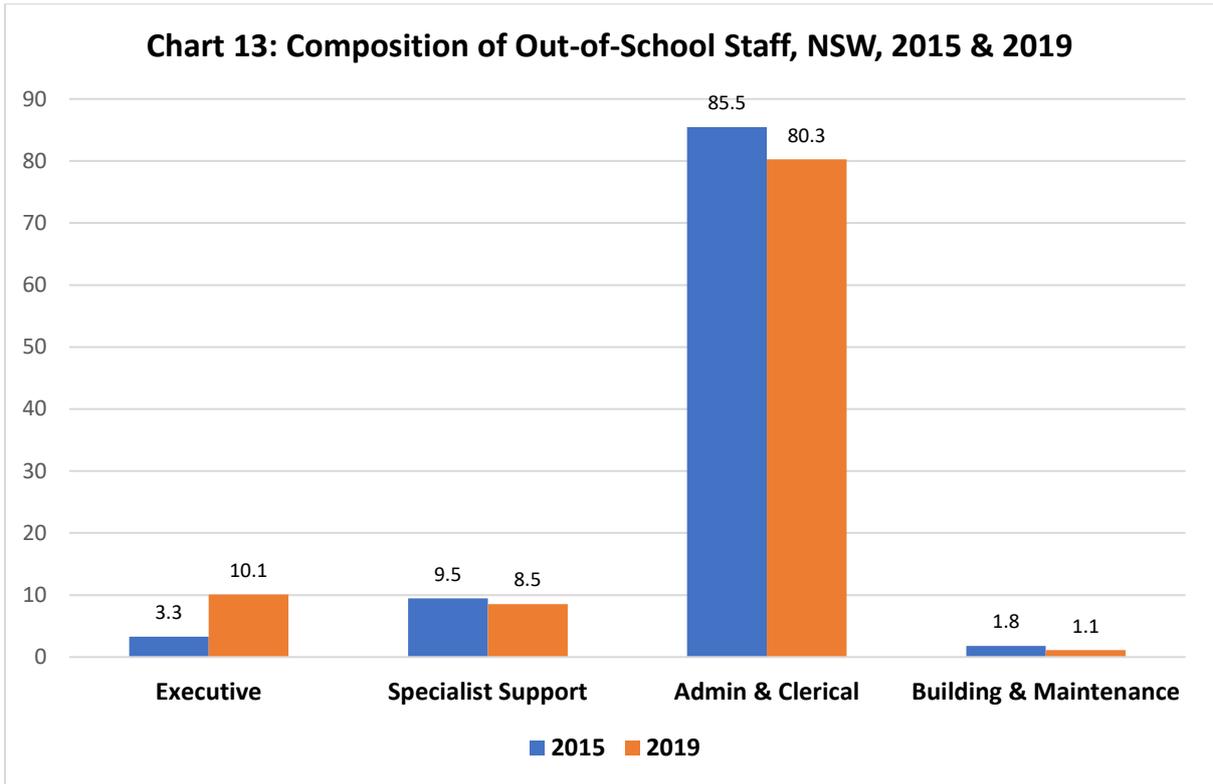
Out-of-school staff consist of executive staff and staff not generally active in schools or ancillary education establishments. It includes staff in central and regional offices of the Department of Education. There was a large increase in out-of-school staff between 2003 and 2019 from 1,873 to 3,104, an increase of 65.7% [Chart 6]. The student to out-of-school staff ratio decreased by 35% from 400.4 to 259.5.

More detailed figures published by the ABS on the composition of out-of-school staff show large increases since 2015. The vast majority of out-of-school staff are classified as administrative and clerical staff and their numbers increased by 30.7% between 2015 and 2019, nearly 10 times the 3.4% increase in all teaching staff in schools. Executive staff numbers increased fourfold from 73 in 2015 to 314 in 2019. This was over 300 times the increase in teachers in schools. Executive staff as a proportion of all out-of-school staff increased from 3.3% in 2015 to 10.1% in 2019 [Chart 13].

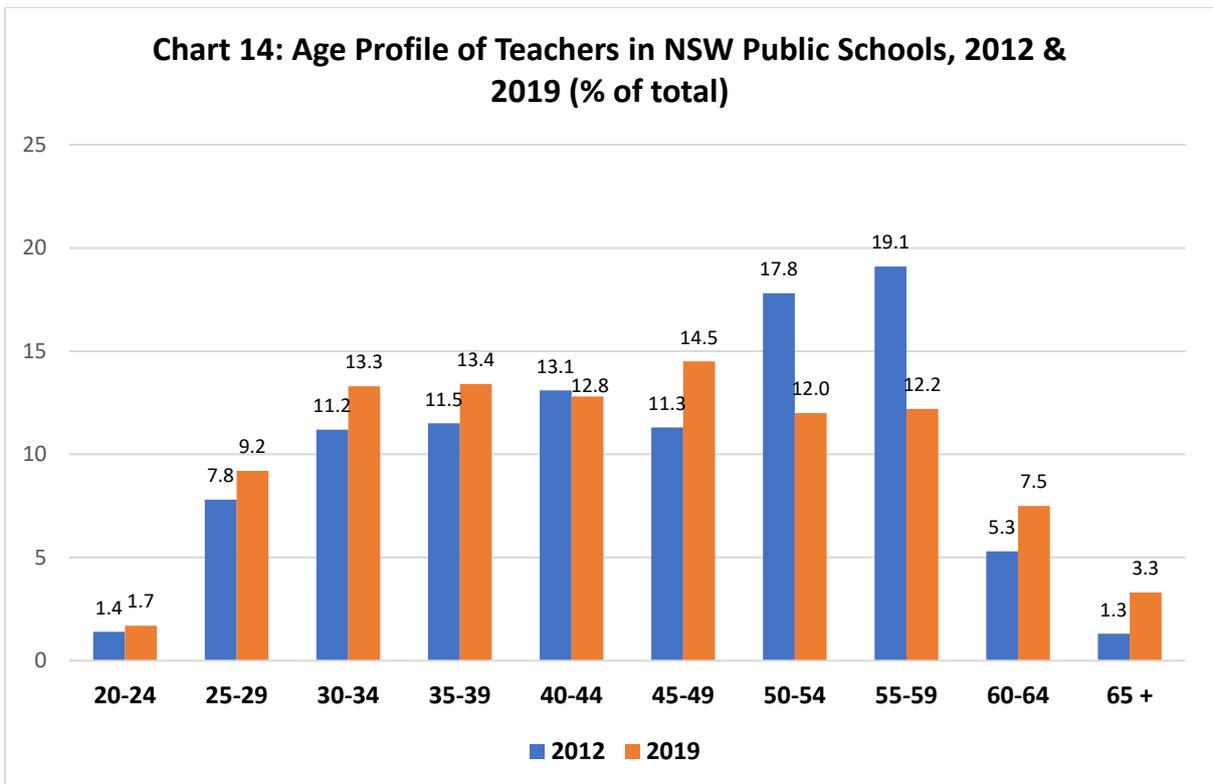
The organisational structure of the Department suggests that the overall focus of the Department is more about regulation and compliance rather than supporting teaching and learning. There are more sections and many more staff devoted to regulatory compliance functions than in direct support of teaching and learning.

3.5 Age profile of teachers

There was a significant change in the age profile of teachers in NSW public schools between 2012 and 2019. The proportion of teachers aged 50 and over fell from 43.5% of all teachers to 35% [Chart 14]. This change may have been occurring before 2012. It may have resulted in some savings on the assumption that older teachers incurred higher salaries.



Source: See Attachment A



Source: NSW Department of Education, Data Hub.

4. Conclusions

There was a small increase of \$983 per student in total real Commonwealth and NSW Government funding for NSW public schools between 2002-03 and 2017-18. The average increase was \$66 per year. This small increase was due to increased Commonwealth funding as NSW Government funding was cut over the period. Commonwealth funding increased by \$1,470 per student which was partially offset by a cut in NSW Government funding of \$487 per student.

The small increase in real funding supported changes in the composition of enrolments and staffing. There also appears to have been a significant re-distribution of funds within the system to employ a larger proportion of administrative staff in schools and in central and regional offices.

There were large increases in enrolments of students who attract higher than average funding per student – Indigenous, disability and low SES students. The increases were much larger than for all students and likely accounted for much of the small increase in real funding. Some savings may have resulted from a reduction in enrolments of remote area students.

There is also evidence of a decrease in the student-teacher ratio in primary schools, although the extent of this is difficult to determine because of a change in the way a teacher is defined in the NSW payroll system. This reduction is likely to have accounted for part of the increase in real funding. There does not appear to have been an equivalent reduction of the student-teacher ratio in secondary schools and it is possible that the ratio has increased.

There were also large increases in non-teaching staff in schools and out-of-school staff that were much bigger than the increase in teachers. Non-teaching staff in schools now form a much larger proportion of school staff than in 2003. Administrative and clerical staff comprise the large proportion of non-teaching staff in schools and account for the largest increase in school staff. One reason for the increase was to reduce the burden of administrative tasks on principals and senior teachers.

There was significant variation in the number of specialist support staff in schools over the period and the reasons for this and its impact on classroom teaching and learning require further investigation. However, specialist support staff continue to account for only a very small proportion of all school staff.

Out-of-school staff account for a larger proportion of all staff than in 2003. There was also a massive increase in executive staff not in schools of over 300% since 2015.

The increase in administrative staff and non-school executive staff likely involved a re-distribution of funding resulting from reduced funding elsewhere in the system. For example, there was a significant change in the age profile of the teaching force with a large reduction in the proportion of teachers aged 50 and above and this may have resulted in lower costs per student. Similarly, changes in the proportion of teachers subject to permanent and short-term contracts may have led to savings in salaries and on-costs. Any increase in classroom teaching hours may have reduced the need to employ more teachers while increasing the load on existing teachers. However, more detailed data and analysis is required to determine the extent and sources of the redistribution of funding within the system and how it impacted on the teaching profession.

It is apparent that the Department of Education has given much greater priority to the employment of administrative and out-of-school staff than teachers or specialist support staff since 2003. At best, there was only a small reduction in the student-teacher ratio in primary schools and no reduction in secondary schools. In contrast, there were large reductions in the ratio for non-teaching and out-of-

school staff. This trend appears to reflect increasing performance and compliance standards, record keeping and other administrative tasks which involves increases in non-teaching staff in schools and in central and regional offices.

Despite the increase in administrative staff in schools, there is widespread concern about the administrative load being carried by teachers in complying with regulatory requirements and which involve excessive out-of-hours work. [One teacher has said](#): “NSW arguably inflicts the most convoluted suite of bureaucratic measures on its teachers.” This administrative load on teachers is widely cited as a [reason for experienced teachers leaving the workforce](#).

Although specific data is not available for NSW public schools, figures released last year by the OECD [Teaching and Learning International Survey \(TALIS\) 2018](#) show that teacher workload in Australia increased significantly since 2013 and the increase was one of the largest in the OECD. Working hours for Australian lower secondary teachers increased by two hours per week since 2013 and was the equal 3rd largest increase in the OECD. It also showed that Australian teachers spend significantly [more time on non-teaching tasks](#), especially management and administrative tasks, than nearly every other OECD country. Australian teachers spend nearly 60% more time on management and administrative tasks than the average for the OECD.

The NSW public education system has seen a huge expansion of bureaucracy since 2003 that reflects increased regulation, auditing and reporting requirements set by central office. This has been prioritised over increased funding for classroom learning and support. As one former principal told Save Our Schools, it reflects an “increase in roles orchestrating compliance not teaching, learning and curriculum”.

The shift to more administrative staff in schools and out-of-schools seems to be a serious misallocation of resources when the priority should be to employ resources that have a direct impact in improving student outcomes generally and increasing equity in outcomes. Much of the funding used to employ the large increases in administrative staff may have been better used to employ more teachers and specialist support staff and invest in measures to attract and re-train teachers in subject areas suffering shortages to improve student outcomes.

The priority given to increasing non-teaching staff also means that [teacher shortages in particular subjects](#) and the extent of out-of-field teaching remain largely unaddressed despite the fact that they are significant factors influencing student outcomes. Furthermore, the attractiveness of the teaching profession is reduced when the funding to employ more non-teaching staff is sourced from employment of less experienced teachers with lower salaries, greater use of short-term contracts for teachers and increased face-to-face teaching hours. This is especially the case in secondary schools which have suffered an increase in the student-teacher ratio, shortages in specialist teachers for a number of subject areas and cuts in specialist support staff over much of the period since 2003.

Attachment: Data Sources and Definitions

Funding

The recurrent funding data is drawn from various issues of the [Report on Government Services](#) (ROGS) published by the Productivity Commission. However, the figures reported here differ in two ways from those published in the ROGS. First, the figures here exclude book entry items (user cost of capital, depreciation) and other items (payroll tax, school transport) which are included in state/territory government funding of public schools. These items are not included in funding figures for private schools published in ROGS and, as a result, funding public schools is over-estimated in comparison with private schools. These items are excluded from the funding figures for public schools published on the My School website on the [advice of the accounting firm Deloitte Australia](#).

Second, the ROGS uses the General Government Final Consumption Expenditure, Chain price Index (GGFCE) to adjust current dollar figures 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. The ROGS method of adjusting for inflation under-estimates increasing costs for schools and, therefore, over-estimates the actual increase in real resources available to schools.

The data sources for the adjustments are:

- User cost of capital: Productivity Commission, *Report on Government Services*, various issues.
- Depreciation expenditure: Productivity Commission, *Report on Government Services*, various issues.
- Payroll tax rates: NSW Treasury, *Interstate Comparisons of Taxes, 2009-10 & 2017-18*; [Payroll Tax Australia](#). Rates are applied to total salary expenditure for public schools sourced from the Productivity Commission, *Report on Government Services*, various issues.
- 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. Expenditure for 2017-18 is estimated based on previous trends.
- Wage Price Index (WPI): ABS, *Wage Price Index for Public and Private Education and Training* (re-based to 2017-18 = 100).

Enrolments

Total enrolments (Full Time Equivalent – FTE): ABS, *Schools Australia*.

Indigenous: ABS, *Schools Australia*.

Years 11 & 12: ABS, *Schools Australia*.

Remote area: ABS, *Schools Australia (from 2011)*; *Report on Government Services*, various issues (pre-2011).

Disability: *Report on Government Services*, various issues.

Low Socio-Economic Status students: *Report on Government Services*, various issues.

Staff

Staff numbers: ABS, *Schools Australia*.

Age profile of teachers: NSW Department of Education, Data Hub.

The reporting of staff by the ABS is split into two broad categories, In-school staff, and out-of-school staff. In-school staff spend most of their time actively engaged in duties at one or more schools or ancillary education establishments. Out-of-school staff consists of executive staff and staff not generally active in schools or ancillary education establishments. Each of these is further categorised by major function, as determined by the duties performed.

Excluded from the definitions of staff are:

- persons not under the control of the director-general (or equivalent), e.g. nurses or therapists working for the state or territory department of health (or equivalent)
- persons responsible to a state, territory, or Commonwealth minister of education but not to the director-general (or equivalent), and
- persons under the control of the director-general (or equivalent) who satisfy one or more of the following criteria:
 - are cleaners, whether salaried or employed on contract
 - are involved in the management and/or maintenance of boarding or hostel facilities for students
 - are paid from privately raised funds
 - have been occupying, or expect to be occupying, a position for a period of less than four continuous weeks at the census date, and/or
 - are persons replacing those who are temporarily absent.

Teaching staff are defined as those who spend most of their time in contact with students. They support students either by direct class contact or on an individual basis and are engaged to impart school curriculum. Teaching staff also includes principals, deputy principals, campus principals and senior teachers mainly involved in administration. Teacher aides and assistants, and specialist support staff are excluded.

The Schools Australia Bulletin notes that the New South Wales Department of Education transitioned to a new payroll system in a phased roll-out during the 2018 calendar year. This system provides stricter controls and validation over the way casual and temporary teachers are engaged. This improved the information available to distinguish and therefore better identify those teachers that should be included as 'generally active' in schools. It says that care should be taken when comparing New South Wales Government in-school staff time series data.