

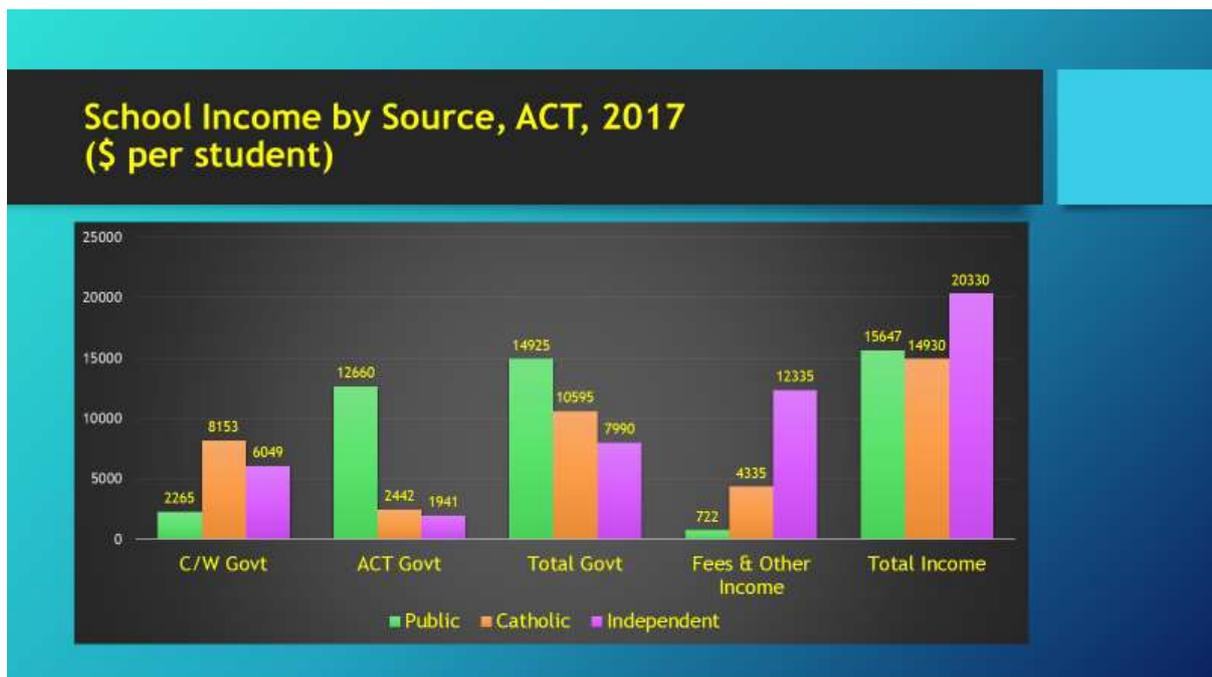
# School Funding in the ACT

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Save Our Schools

## Introduction [Chart 1]

- School funding is a vexed subject. Trends in school funding should be carefully analysed to show what is really happening. We should always look behind government statements on funding increases for schools. Governments have an interest in presenting a picture to serve their own political interests. They often disguise the real trends. How often do you hear a Minister for Education proudly say that they have increased school funding by X million without regard to enrolment increases or changes in composition or without regard to cost increases?
- The real picture is often obscured by failing to adjust for student numbers and cost increases, in particular, wage and salary increases because they account for about 80% or more of school expenditure.
- If the percentage increase in student numbers is greater than the increase in total funding there is a decline in funding per student.
- If the increase in total funding is solely due to wage and salary increases and increased cost of educational materials, there are no additional teachers, other staff or classroom materials to improve learning.
- The funding figures presented here are per student and have been adjusted for cost inflation. The per student figures are published by the Australian Curriculum, Assessment and Reporting Authority and I have adjusted them for inflation using a combined Wage Price Index and Consumer Price Index.

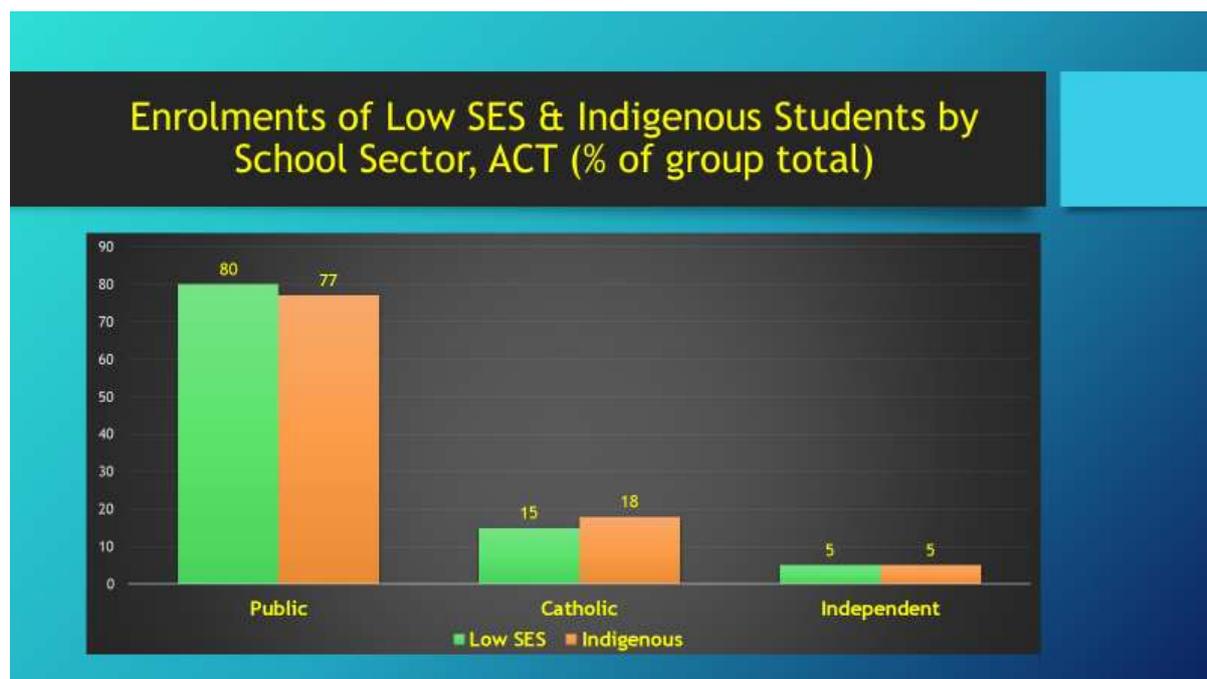
## Total income of ACT schools 2017 [Chart 2]



Sources: ACARA, [National Report on Schooling data portal](#).

- The total income per student of ACT Independent schools was 30% more than in public schools in 2017 while that of Catholic schools was 5% lower than for public schools. The total income of public schools was \$15,647 compared to \$20,330 in Independent schools and \$14,930 in Catholic schools.

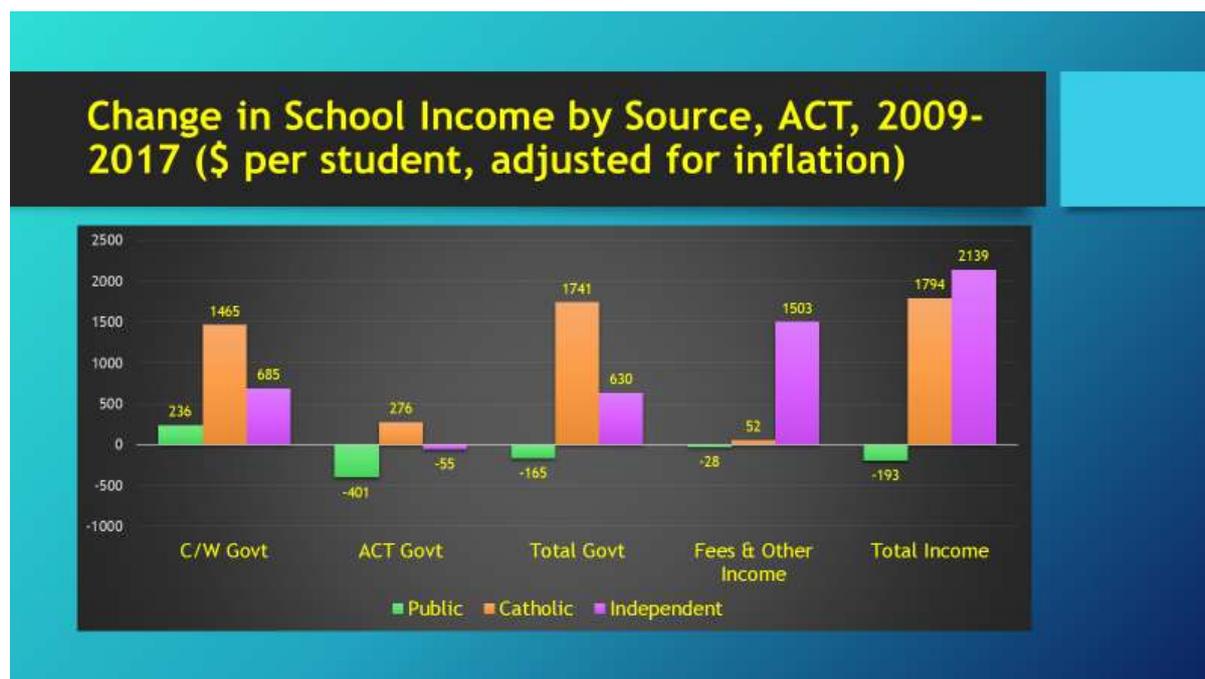
## Public schools do the heavy lifting [Chart 3]



Sources: Senate Education and Employment Committee, Additional Estimates, 2016-17; ABS, Schools Australia.

- The slight resource advantage of public schools over Catholic schools is purely nominal because disadvantaged students comprise a much larger proportion of enrolments than in Catholic schools.
  - About 13% of students in public schools are from low socio-economic status (SES) families compared to 6% in Catholic schools and 3% in Independent schools.
- The large proportion of disadvantaged students attend public schools.
  - 80% of low SES students are enrolled in public schools compared to 15% in Catholic schools and 5% in Independent schools.
  - 77% of Indigenous students are enrolled in public schools compared to 18% in Catholic schools and 5% in Independent schools.
  - Historically, the large proportion of disability students are enrolled in public schools as well. However, because of changes in how disability is assessed, it is not possible to give precise figures at this stage.
- Public schools have to do more of the heavy lifting to improve results for disadvantaged students than Catholic or Independent schools.

## Change in school income by source 2009 to 2017 [Chart 4]



**Sources:** ACARA, [National Report on Schooling data portal](#). Adjusted for inflation by combined index of ABS Wage Price Index for private and public education and training and ABS Consumer Price Index.

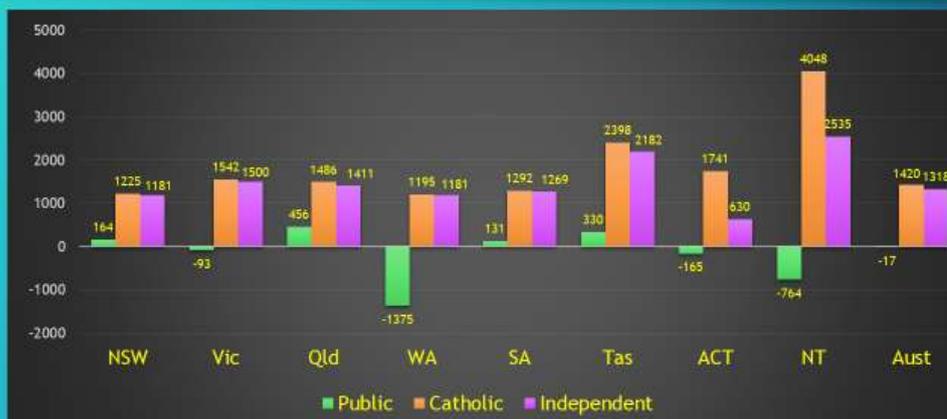
- Changes in school income and government funding have hugely favoured private schools since 2009.
- Real total government funding for public schools was cut by \$165 (-1.4%) per student while funding for Catholic schools increased by \$1,741 (29.2%) per student and for Independent schools by \$630 (11%).
  - Commonwealth real funding for Catholic schools increased by \$1,465 (29.2%) per student and by \$685 (16.6%) for Independent schools compared to \$236 (15.3%) for public schools.
  - The ACT Government cut real funding for public schools by \$401 (-3.9%) per student while increasing its funding of Catholic schools by \$276 (16.6%) and cutting funding of Independent schools by \$55 (-3.4%) per student.
- Independent schools increased fees and other income by much more than cost increases. They increased fees and other income by a massive \$1,503 (18.1%) per student, adjusted for inflation. Catholic schools increased fees and other income by only \$52 (1.5%). They have relied on Govt to increase their income.
- The income disparity between public and Independent schools has widened substantially since 2009. The total real income of Independent schools increased by \$2,139 (15.3%) per student compared to a fall of \$193 (-1.5%) in public schools. The resource advantage that public schools held over

Catholic schools in 2009 was almost completely closed by 2017 after large government funding increases for Catholic schools during the period.

- The increased income disparity between public and Independent schools was mainly due to larger Commonwealth funding increases for Independent schools than for public schools, reduced funding of public schools by the ACT Government and very large fee increases in Independent schools.
- The reduced income disparity between public and Catholic schools was due to a very large increase in Commonwealth funding and increased funding for Catholic schools by the ACT Government while it cut funding for public schools.

## Government funding – a national perspective [Charts 5-7]

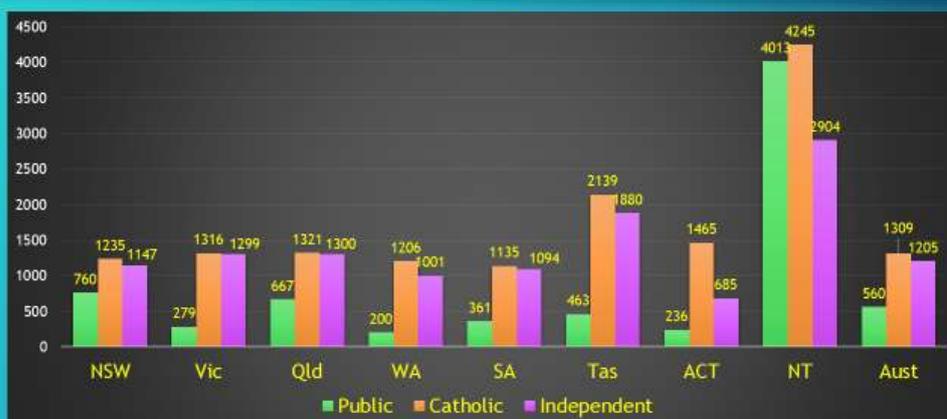
### Change in Total Govt Funding 2009-2017 (\$ per student, adjusted for inflation)



Sources: ACARA, [National Report on Schooling data portal](#). Adjusted for inflation by combined index of ABS Wage Price Index for private and public education and training and ABS Consumer Price Index.

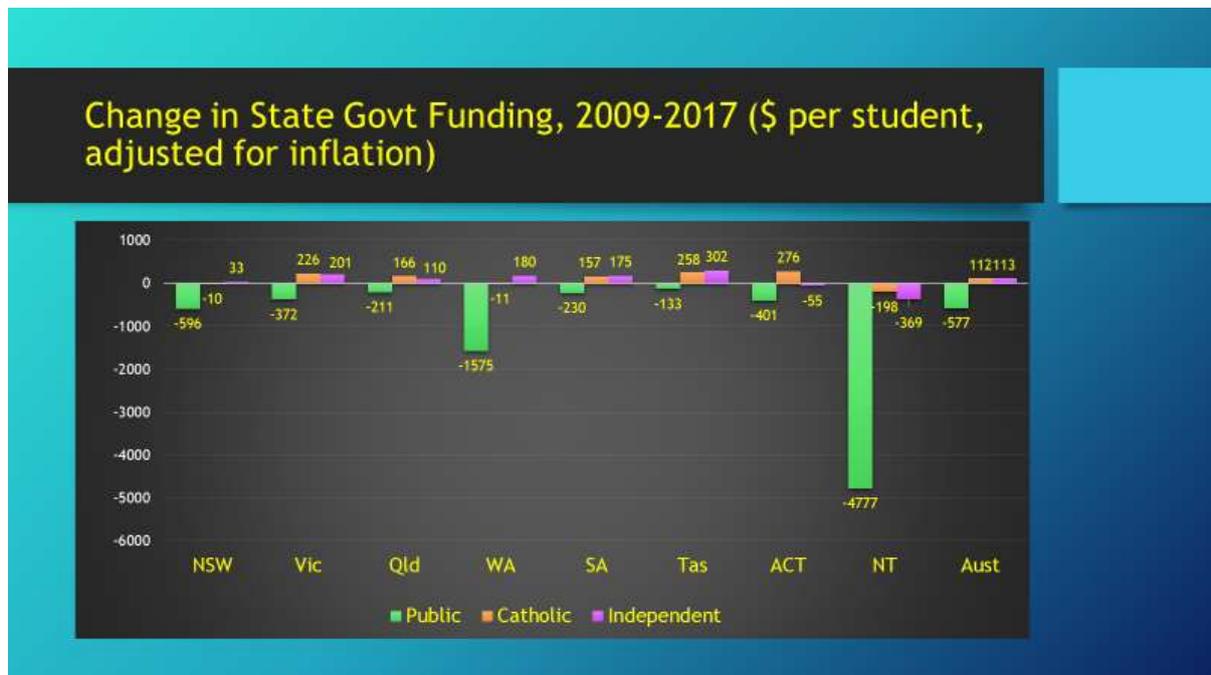
- The ACT was one of four states where government funding for public schools was cut. In the other states, increased funding for public schools was far less than for Catholic and Independent schools.
- The increase in government funding for Catholic schools was the biggest in Australia except for Western Australia and the Northern Territory.

### Increase in C/W Govt Funding, 2009-2017 (\$ per student, adjusted for inflation)



Sources: ACARA, [National Report on Schooling data portal](#). Adjusted for inflation by combined index of ABS Wage Price Index for private and public education and training and ABS Consumer Price Index.

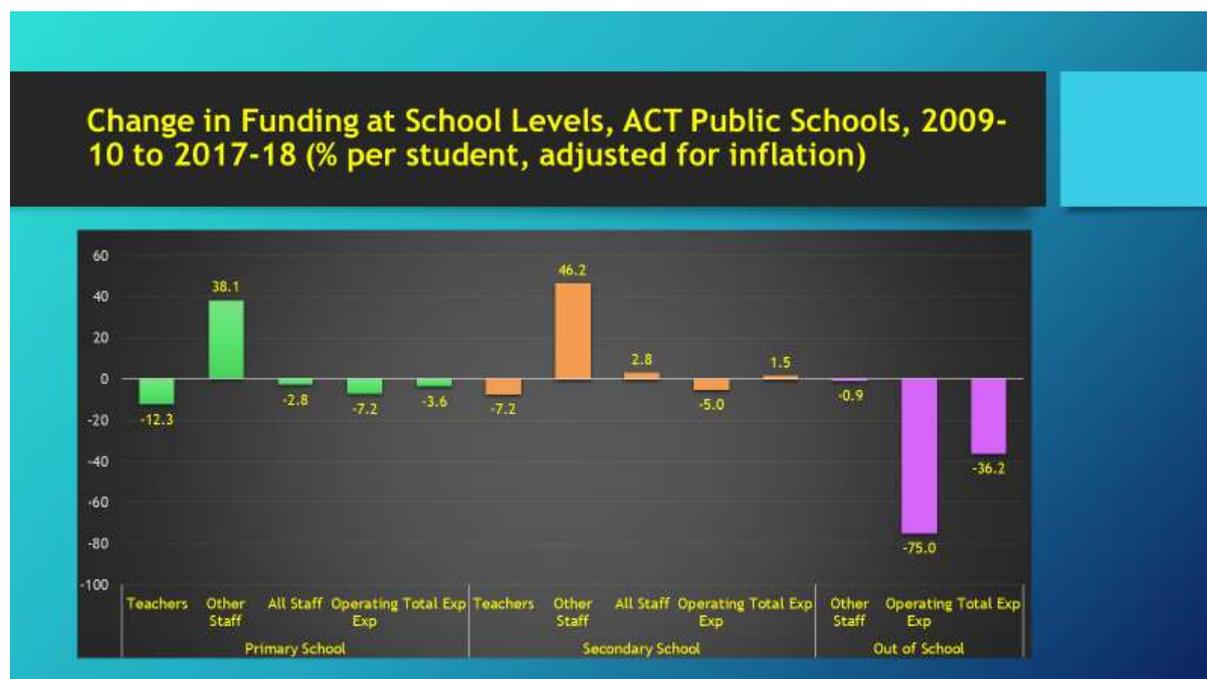
- Commonwealth funding increases for ACT Catholic and Independent schools were far more than for public schools. This was also the case in every state except the Northern Territory.
- The Commonwealth increase for ACT Catholic schools was about six times that for public schools while the increase for Independent schools was about three times that for public schools.



**Sources:** ACARA, [National Report on Schooling data portal](#). Adjusted for inflation by combined index of ABS Wage Price Index for private and public education and training and ABS Consumer Price Index.

- Every state government cut funding for public schools between 2009 and 2017 while five governments increased their funding for Catholic schools and six increased funding for Independent schools. Both Coalition and Labor governments cut funding for public schools while increasing funding for private schools.

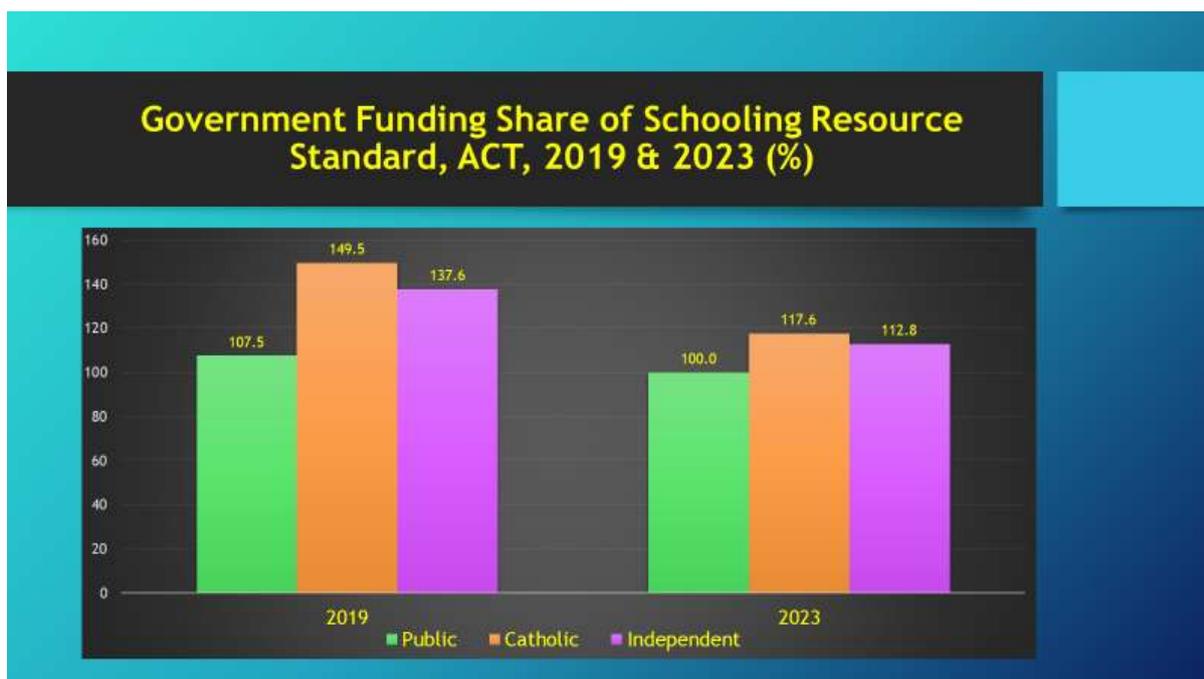
## Change in funding at school levels in ACT public schools [Chart 8]



Source: Report on Government Services 2012, 2020.

- This chart shows where the changes have occurred at different levels in the public school system.
- Primary schools have borne the burden of the cuts in funding. Total funding for primary schools was cut by 3.6% or \$524 per student while funding for secondary schools increased by 1.5% or \$258 per student. There was also a significant cut in out-of-school funding (which refers to funding of the Directorate of Education) of 36.2% or \$453 per student.
- Teaching staff per student and operating expenditure per student were cut in both primary and secondary schools. There was an increase in non-teaching staff per student in both primary and secondary schools.
- Need further analysis of the changes in different parts of the public system. For example, why have teachers per student been cut while other staff has increased? Overall, the student-staff ratio in public schools increased from 9.4 in 2009 to 10.1 in 2018. However, there is contradictory data for the break-up between primary and secondary schools over this period which I don't understand. So, deeper analysis required.

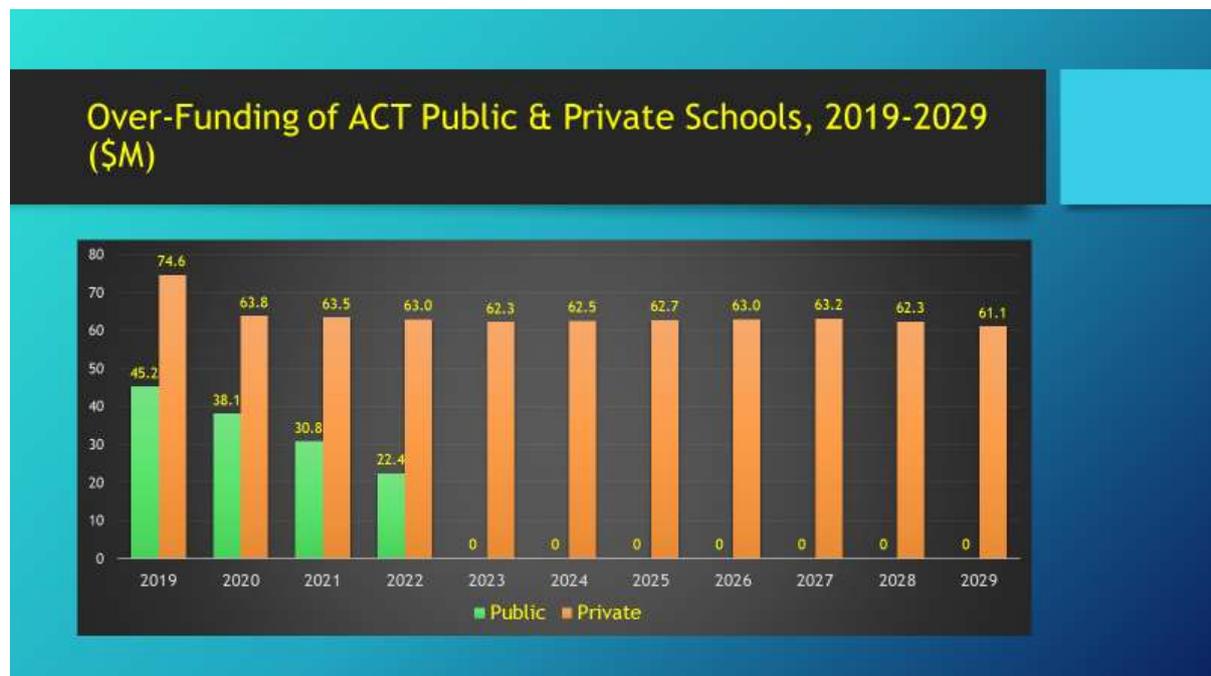
## ACT public schools face further funding cuts [Chart 9]



**Source:** Estimated from data supplied to Senate Committee on Education and Employment, [Supplementary Budget Estimates 2017-2018](#), AQON SQ17-001173; Department of Education and Training [Distribution of the Choice and Affordability Fund](#); [Commonwealth/ACT Bilateral Agreement on School Funding](#).

- As of 2019, ACT private schools were massively over-funded in comparison to public schools. Catholic schools were funded at 149.5% of their Schooling Resource Standard (SRS) and Independent schools were funded at 137.6% of their SRS while public schools were funded at 107.5% of their SRS.
- Under the funding agreement between the Commonwealth and ACT government, public schools are due to have their funding reduced to 100% of their SRS in 2023. In contrast, Catholic schools will be funded at 117.6% of their SRS and Independent schools at 112.8% by then. They are not due to have their funding reduced to 100% of their SRS until 2027.
- The Commonwealth will reduce its funding of Catholic schools from 115.3% of their SRS to 97.6% in 2023 and reduce its funding of Independent schools from 104.9% of their SRS to 92.8%. Funding of public schools will increase from 17.4% to 20% by 2023.
- The ACT Government will reduce its funding of Catholic schools from 34.2% to 20% of their SRS and funding of Independent schools from 32.7% to 20% of their SRS. It will reduce funding of public schools from 90.1% to 80%.
- It remains to be seen whether these commitments about reducing private school shares will be implemented. A new agreement will be negotiated for arrangements beyond 2023. Private schools have been very successful in the past in gaining funding increases and special funding deals and they have another special deal to operate for 10 years from 2019.

## ACT private schools will continue to be over-funded by virtue of another special deal from the Commonwealth [Chart 10]



**Source:** Estimated from data supplied to Senate Committee on Education and Employment, [Supplementary Budget Estimates 2017-2018](#), AQON SQ17-001173; Department of Education and Training [Distribution of the Choice and Affordability Fund](#); [Commonwealth/ACT Bilateral Agreement on School Funding](#).

- The planned reduction in the Commonwealth share of funding of ACT private schools will be offset by additional funding of \$408 million (\$229 million for Catholic schools and \$180 million for Independent schools) over ten years from 2020 under a new deal announced by the Morrison Government in 2018.
  - This extra funding kicks in while the funding shares of the SRS are gradually reduced. It ensures that ACT private schools will remain over-funded in the future. It will maintain private school over-funding at over \$60 million a year for eleven years. The cumulative over-funding from 2019 to 2029 will amount to about \$702 million.
- The bottom line is that ACT public schools will be funded at 100% of their SRS from 2023 but private schools will continue to be massively over-funded until at least 2029 and probably beyond.

## Policy directions [Chart 11]

**Policy Directions**

- ACT Govt should continue to fund public schools at over 80% of their SRS so that they are not disadvantaged by over-funding of private schools.
- ACT Govt should reduce its funding share of private schools to reduce their over-funding from the new special deal by the Commonwealth.
- Public education organisations advocate for a nationally integrated funding model:
  - Reduce disadvantage in education;
  - End to special deals and over-funding of private schools;
  - Ensure that public schools are fully funded.

- The immediate priority is to pressure the ACT Government to continue to fund public schools at over 80% of their SRS so that they are funded at 100% or more of their SRS and are not disadvantaged by continuing massive over-funding of private schools.
- The ACT Government should also reduce its funding share of private schools to reduce their over-funding following from the new special deal by the Commonwealth.
- Public education organisations must continue to advocate for a nationally integrated funding model directed at reducing disadvantage in education, ending special deals and over-funding of private schools and ensuring that public schools are fully funded.