

# School Funding in Australia - Overview and a RoadMap

Post 2022 Federal Election

Adam Rorris May 2022

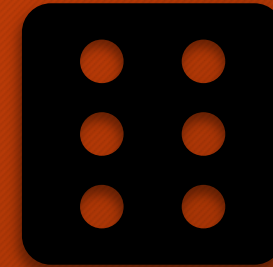
# National School Funding - Outline of a Train Wreck

Key Findings from a 2020 Study Commissioned by National AEU



# Public schools vs Loaded Dice Set Up to Deliver Disadvantage

- 1. Commonwealth overfunds private schools until at least 2029*
- 2. Commonwealth underfunds public schools until at least 2023*
- 3. States and territories overfund private schools but do not reach 75% of SRS targets for public schools until 2023*
- 4. Capital Depreciation Tax (4%) applied to public but not private schools*
- 5. By agreement between the Commonwealth and State/territory governments, all public school systems (except for ACT) by 2023 will be 5%-20% short of minimum required SRS funding to deliver their essential school services.*
- 6. By agreement between the Commonwealth and State/territory governments, all private school systems (except for NT) by 2022, will be funded more than their specified SRS funding level.*



# Massive Under-Funding of Public Schools

**Key Finding 1.** Massive \$19 Billion Shortfall in Funding for Public Schools 2020-23

**Key Finding 2.** NSW, Victoria, and Queensland each have cumulative shortfalls for 2020-23 that are more than \$5 billion for each respective public school system.



# Funding Table of Shame - Public Schools



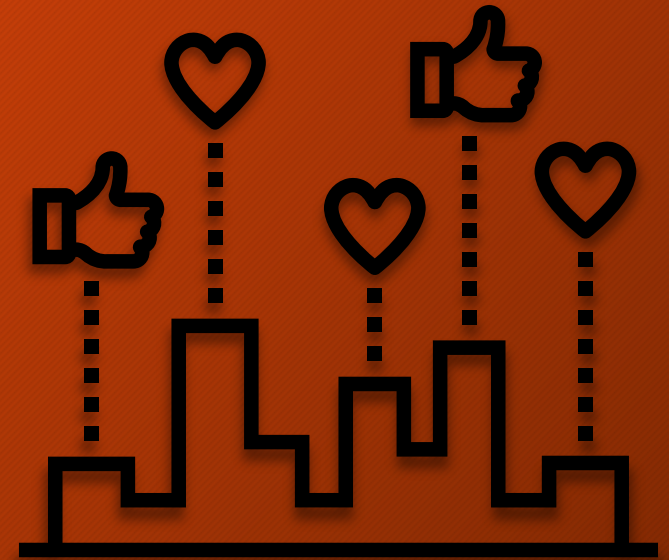
	2020	2021	2022	2023	Cumulative Total
AUST.	-\$ 4,872,181,854	-\$ 4,879,707,969	-\$ 4,714,517,971	-\$ 4,514,714,035	-\$ 18,981,121,830
NSW	-\$ 1,469,388,458	-\$ 1,425,227,560	-\$ 1,353,904,646	-\$ 1,275,297,677	-\$ 5,523,818,342
VIC	-\$ 1,460,557,476	-\$ 1,419,631,974	-\$ 1,332,984,043	-\$ 1,238,814,907	-\$ 5,451,988,399
QLD	-\$ 1,232,583,193	-\$ 1,256,589,096	-\$ 1,262,016,499	-\$ 1,264,523,232	-\$ 5,015,712,021
SA	-\$ 230,740,185	-\$ 216,430,997	-\$ 206,976,911	-\$ 188,790,247	-\$ 842,938,340
WA	-\$ 265,807,225	-\$ 342,166,498	-\$ 327,208,168	-\$ 288,544,182	-\$ 1,223,726,073
TAS	-\$ 75,567,859	-\$ 74,410,812	-\$ 71,955,975	-\$ 70,271,426	-\$ 292,206,072
ACT	\$ 41,630,692	\$ 34,453,986	\$ 25,435,688	\$ -	\$ 101,520,366
NT	-\$ 179,168,151	-\$ 179,705,018	-\$ 184,907,417	-\$ 188,472,363	-\$ 732,252,949



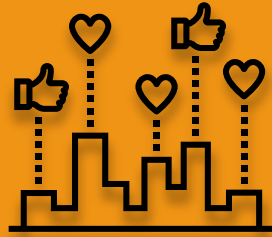
# Private Schools Get More than SRS by 2022

**Key Finding 3.** Private schools are over-funded by approximately \$1 billion during the period 2020-23 while public schools are under-funded by \$19 billion.

Private school sectors (in all jurisdictions apart from NT) attain and exceed SRS funding levels by 2022 at the latest.



# LARGESSE FOR THE PRIVATES



	2020	2021	2022	2023	Cumulative Total
AUST.	-\$ 332,390,091	-\$ 82,349,522	\$ 602,479,656	\$ 791,573,805	\$ 979,313,848
NSW	\$ 32,703,364	\$ 106,509,264	\$ 300,768,987	\$ 366,880,256	\$ 806,861,871
VIC	-\$ 177,061,874	-\$ 103,310,735	\$ 53,868,192	\$ 118,362,025	-\$ 108,142,391
QLD	-\$ 30,914,812	\$ 9,180,605	\$ 161,675,842	\$ 180,181,271	\$ 320,122,906
SA	-\$ 57,006,136	-\$ 36,130,363	\$ 13,322,822	\$ 31,483,097	-\$ 48,330,580
WA	-\$ 80,739,873	-\$ 47,472,438	\$ 58,681,535	\$ 75,726,901	\$ 6,196,124
TAS	-\$ 15,341,047	-\$ 10,234,620	\$ 2,795,207	\$ 7,081,927	-\$ 15,698,533
ACT	\$ 24,599,925	\$ 22,192,607	\$ 21,350,778	\$ 17,715,928	\$ 85,859,239
NT	-\$ 28,629,639	-\$ 23,083,842	-\$ 9,983,707	-\$ 5,857,601	-\$ 5,857,601

# The Inequity - One Student at a Time

**Key Finding 4.** By 2022 private school systems in all jurisdictions (except for Northern Territory) have per student allocations more than SRS funding levels.

**Key Finding 5.** All jurisdictions (except for ACT) under-fund their public school systems by more than \$1,000 per student by 2022 and 2023.

The greatest under-funding per student is found in Northern Territory (more than \$6,000) and in QLD (more than \$2,000 per student).





# The Inequity - One Public Student at a Time



	2018	2019	2020	2021	2022	2023
NSW	-\$ 1,885	-\$ 1,873	-\$ 1,815	-\$ 1,737	-\$ 1,633	-\$ 1,525
VIC	-\$ 2,400	-\$ 2,372	-\$ 2,285	-\$ 2,162	-\$ 1,991	-\$ 1,819
QLD	-\$ 2,127	-\$ 2,141	-\$ 2,152	-\$ 2,164	-\$ 2,155	-\$ 2,147
SA	-\$ 1,443	-\$ 1,384	-\$ 1,303	-\$ 1,209	-\$ 1,147	-\$ 1,040
WA	-\$ 44	-\$ 533	-\$ 922	-\$ 1,167	-\$ 1,102	-\$ 965
TAS	-\$ 1,373	-\$ 1,367	-\$ 1,335	-\$ 1,313	-\$ 1,268	-\$ 1,241
ACT	\$ 1,256	\$ 1,108	\$ 930	\$ 752	\$ 544	\$ -
NT	-\$ 5,788	-\$ 5,932	-\$ 5,973	-\$ 5,972	-\$ 6,125	-\$ 6,264

# A Bright Idea - A New Tax for Public Schools

**Key Finding 8. The Bilateral Agreements between the Commonwealth and the State/Territory governments that were signed in 2018 and 2019 effectively impose a new tax – a capital depreciation tax on public school systems.**

Nationally, the capital depreciation tax deprives public schools close to \$2 billion a year. This is the value of additional SRS funds public schools would have received by the earlier Bilateral agreements that did not impose a capital depreciation tax.



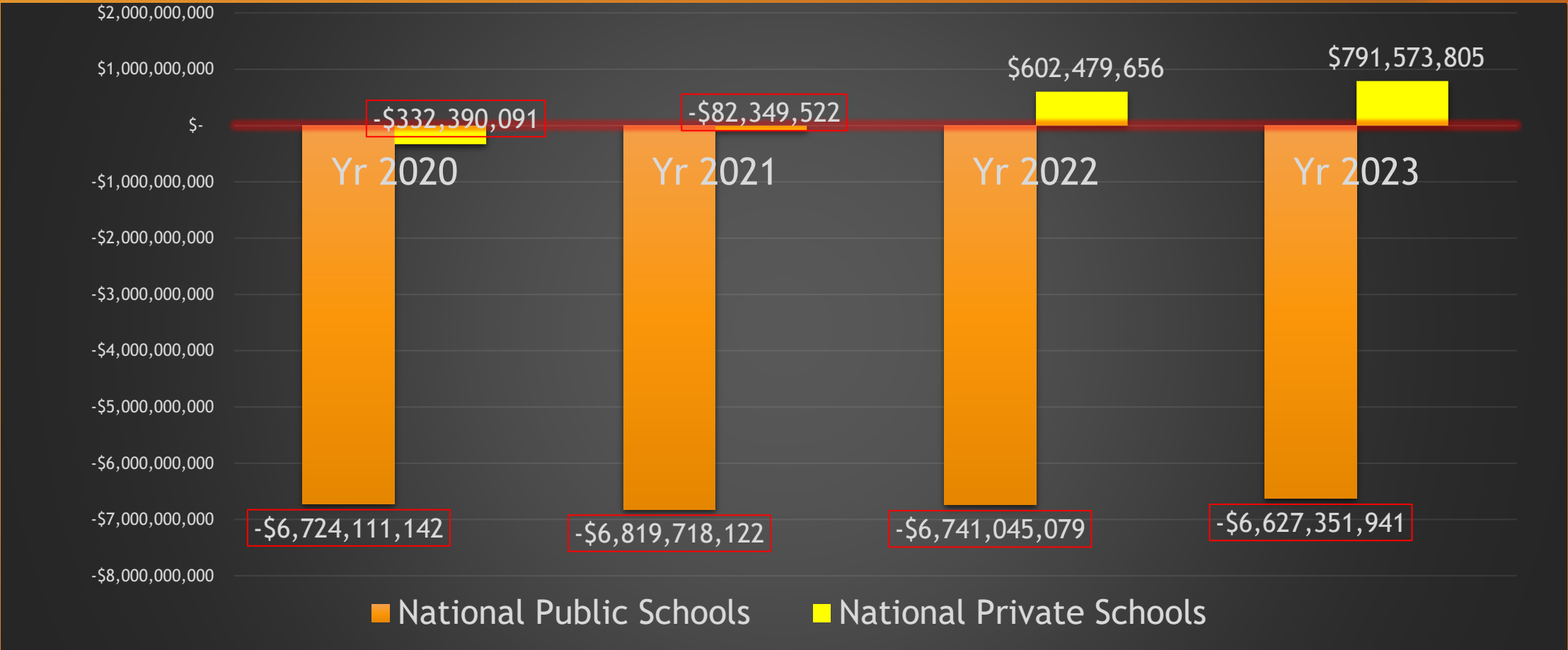
# A Bright Idea - A New Tax for Public Schools



State	2020	2021	2022	2023	2020-23 Cumulative Total
NSW	\$ 579,069,343	\$ 604,550,397	\$ 629,723,091	\$ 655,680,040	\$2,469,022,871
VIC	\$ 443,264,788	\$ 468,912,295	\$ 492,785,228	\$ 517,790,975	\$1,922,753,286
QLD	\$ 416,413,241	\$ 435,559,479	\$ 453,147,756	\$ 470,958,373	\$1,776,078,849
SA	\$ 131,851,534	\$ 137,416,506	\$ 145,246,955	\$ 151,032,198	\$ 565,547,193
WA	\$ 202,906,279	\$ 212,525,775	\$ 221,836,046	\$ 230,835,345	\$ 868,103,445
TAS	\$ 43,120,033	\$ 44,557,373	\$ 46,051,824	\$ 47,480,693	\$ 181,209,923
ACT	\$ -	\$ -	\$ -	\$ -	\$ -
NT	\$ 35,304,069	\$ 36,488,329	\$ 37,736,208	\$ 38,860,281	\$ 148,388,886
<b>National Total</b>	<b>\$ 1,851,929,287</b>	<b>\$ 1,940,010,153</b>	<b>\$ 2,026,527,108</b>	<b>\$ 2,112,637,905</b>	<b>\$7,931,104,454</b>



# National - True SRS Annual Funding Gap



# The True SRS Funding Gap



PUBLIC SECTOR	2020	2021	2022	2023	Cumulative Funding Gap 2020-23
NSW	-\$ 2,048,457,801	-\$2,029,777,957	-\$1,983,627,738	-\$1,930,977,717	-\$ 7,992,841,213
VIC	-\$ 1,903,822,263	-\$1,888,544,269	-\$1,825,769,271	-\$1,756,605,882	-\$ 7,374,741,685
QLD	-\$ 1,648,996,434	-\$1,692,148,574	-\$1,715,164,255	-\$1,735,481,606	-\$ 6,791,790,870
SA	-\$ 362,591,719	-\$ 353,847,503	-\$ 352,223,866	-\$ 339,822,445	-\$ 1,408,485,533
WA	-\$ 468,713,504	-\$ 554,692,273	-\$ 549,044,214	-\$ 519,379,527	-\$ 2,091,829,518
TAS	-\$ 118,687,892	-\$ 118,968,185	-\$ 118,007,799	-\$ 117,752,120	-\$ 473,415,996
ACT	\$ 41,630,692	\$ 34,453,986	\$ 25,435,688	\$ -	\$ 101,520,366
NT	-\$ 214,472,221	-\$ 216,193,346	-\$ 222,643,624	-\$ 227,332,644	-\$ 880,641,836
<b>National</b>	<b>-\$ 6,724,111,142</b>	<b>-\$6,819,718,122</b>	<b>-\$6,741,045,079</b>	<b>-\$6,627,351,941</b>	<b>-\$ 26,912,226,284</b>

# \$21.5 Billion Capital Investment Gap between public and private schools



**Key Finding** Public schools were deprived of \$21.5 billion in capital works in the first six years the coalition was in power.

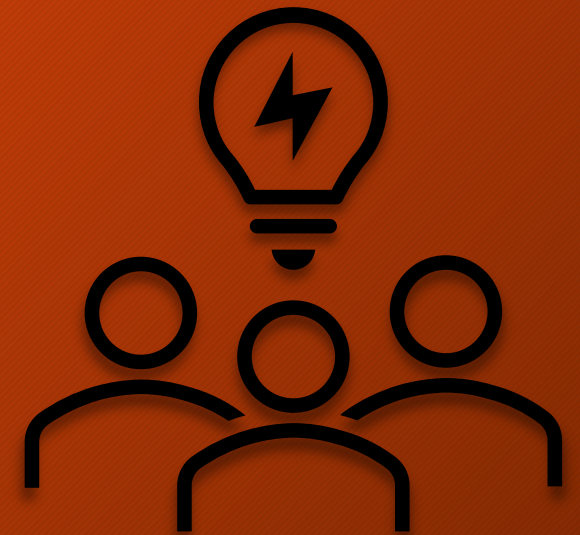
This is the additional investment they would have received for school facilities, equipment and in buildings if funded at the same rate as private schools



# Where to Now ? - Post Survival Strategies

# First Principles

- **The SRS is the minimum funding required** so that schools can have at least 80% of their students achieving learning outcomes above the national minimum standard in NAPLAN for reading and numeracy.
- In other words, the SRS is an essential minimum level of funding for school systems.
- **The SRS is not an aspirational funding standard.**





# New national partnership for schools

## Objectives

- All families and students have guaranteed access to a public primary and secondary school receiving at least 100% of its SRS funding.
- Resourcing parity across systems within each jurisdiction.

## Principles

- **Joint commitment** of Commonwealth and State/Territory governments to meet minimum funding needs (SRS).
- **Consistent accounting** methodology for calculating SRS across the public and private school systems.



# Remove the 4% depreciation/charges rort

- The depreciation/other charges was always a mechanism for allowing the States/Territories to reduce their actual resourcing of public schools.
- Out of line with calculation of the SRS and a one-sided application on public schools only.
- The next Commonwealth government needs to insist on the integrity of the SRS calculations and remove this accounting trick from the hands of the States/Territories.
- For NSW public schools, this measure alone will deliver an additional \$780 million in real money to schools in 2023. By 2025 it would recover more than \$830 million that is currently being denied to public schools through accounting chicanery.

# 100% SRS funding for public schools

- All public school systems across Australia to attain a level of funding that equals at least 100% of the SRS minimum.
- To be delivered within the term of the forthcoming Bilateral agreements between the Commonwealth and States/Territories.
- **No more 95%** for public schools and..... Privates get more than 100%



# Commonwealth invests in public schools

- Joint partnership between Commonwealth and States/Territories in the buildings and facilities of Australian public schools.
- Public schools need infrastructure investment that is on par with the average investment in the private school sector.
- This will help meet the enrolment growth driven by Commonwealth migration programs and enable students and teachers to operate in 21<sup>st</sup> century working spaces and conditions.