

SAVE OUR SCHOOLS

Education Research Brief

The Facts About School Funding in the ACT

Total government funding per student in ACT public schools adjusted for inflation (“real funding”) was cut between 2009 and 2017. In contrast, per student funding for Catholic schools was massively boosted and Independent schools received a lesser but significant increase. Public schools endured a massive cut in funding during the Gonski funding period of 2013-2017 while Catholic schools received a huge boost in funding and Independent schools a small increase.

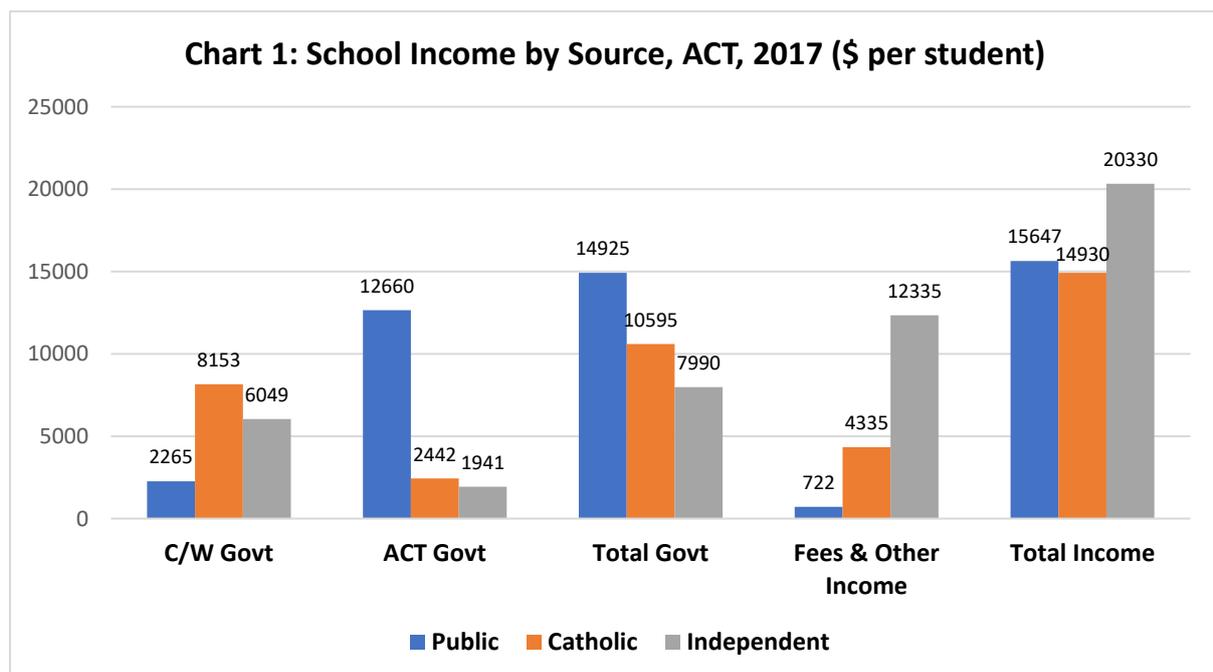
Commonwealth Government funding increases massively favoured Catholic and Independent schools between 2009 and 2017. The ACT Government made large cuts to the real funding of public schools while increasing its funding of Catholic schools. Public schools had far fewer human and material resources per student in 2017 than in 2009.

Government funding increases were badly mis-directed in favouring the more privileged, better-off school sectors and students. All Catholic and Independent schools in the ACT are highly or medium advantaged schools while all highly and medium disadvantaged schools are public schools. 80% of disadvantaged students in the ACT are in public schools.

Public schools will continue to be discriminated against under the new Commonwealth/ACT funding agreement and a new special deal for private schools by the Morrison Government. ACT private schools will continue to be massively over-funded in comparison to public schools.

Total income of schools 2017

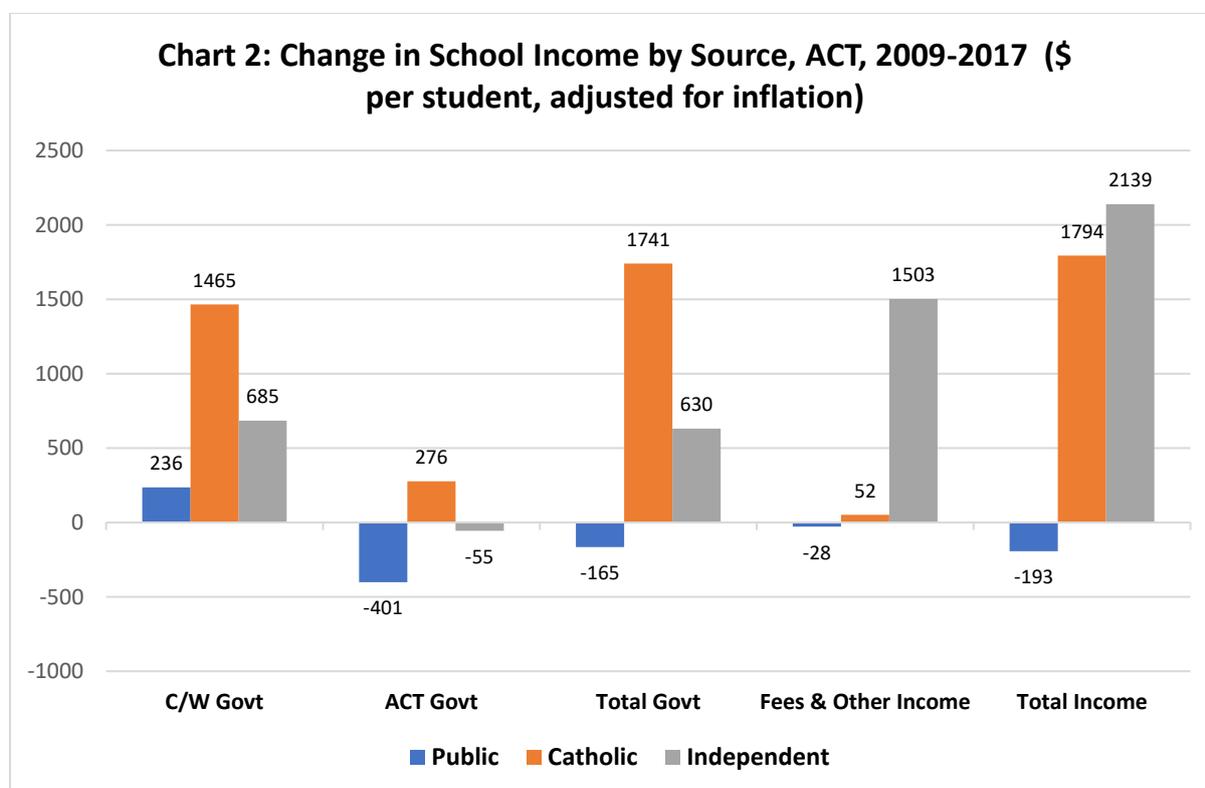
- The total income per student of ACT Independent schools was 30% more than in public schools in 2017 while that of Catholic schools was 5% lower than for public schools. The total income of public schools was \$15,647 compared to \$20,330 in Independent schools and \$14,930 in Catholic schools [Chart 1].



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

Funding 2009 to 2017

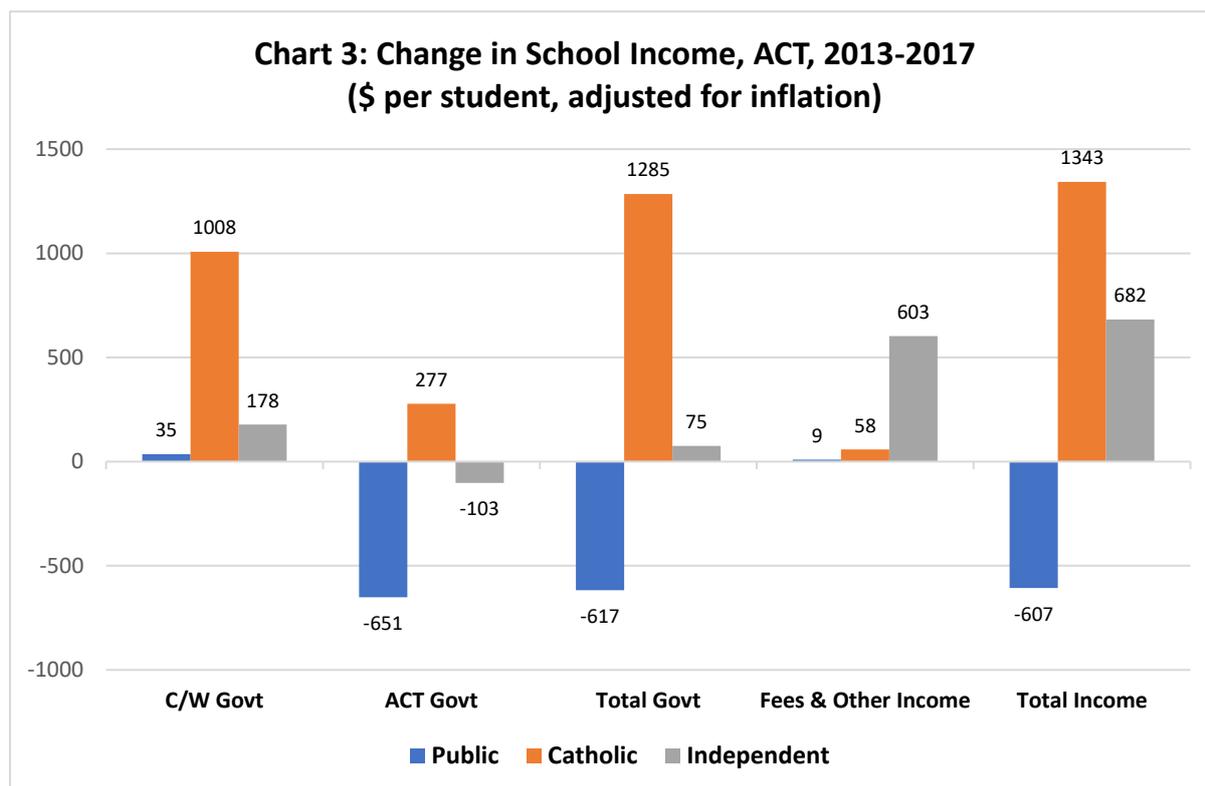
- The income disparity between public and Independent schools has widened substantially since 2009. The total real income of Independent schools increased by \$2,139 (15.3%) per student compared to a fall of \$193 (-1.5%) in public schools [Chart 2]. The resource advantage that public schools held over Catholic schools in 2009 was almost completely closed by 2017 after large government funding increases for Catholic schools during the period. The slight resource advantage of public schools is purely nominal because disadvantaged students comprise a much higher proportion of enrolments than in Catholic schools.
- 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 [Chart 2]. 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.
 - 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. This was the largest increase in fees and other income of any school sector in Australia. Catholic schools increased fees and other income by \$52 (1.5%).



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.

Funding 2013 to 2017

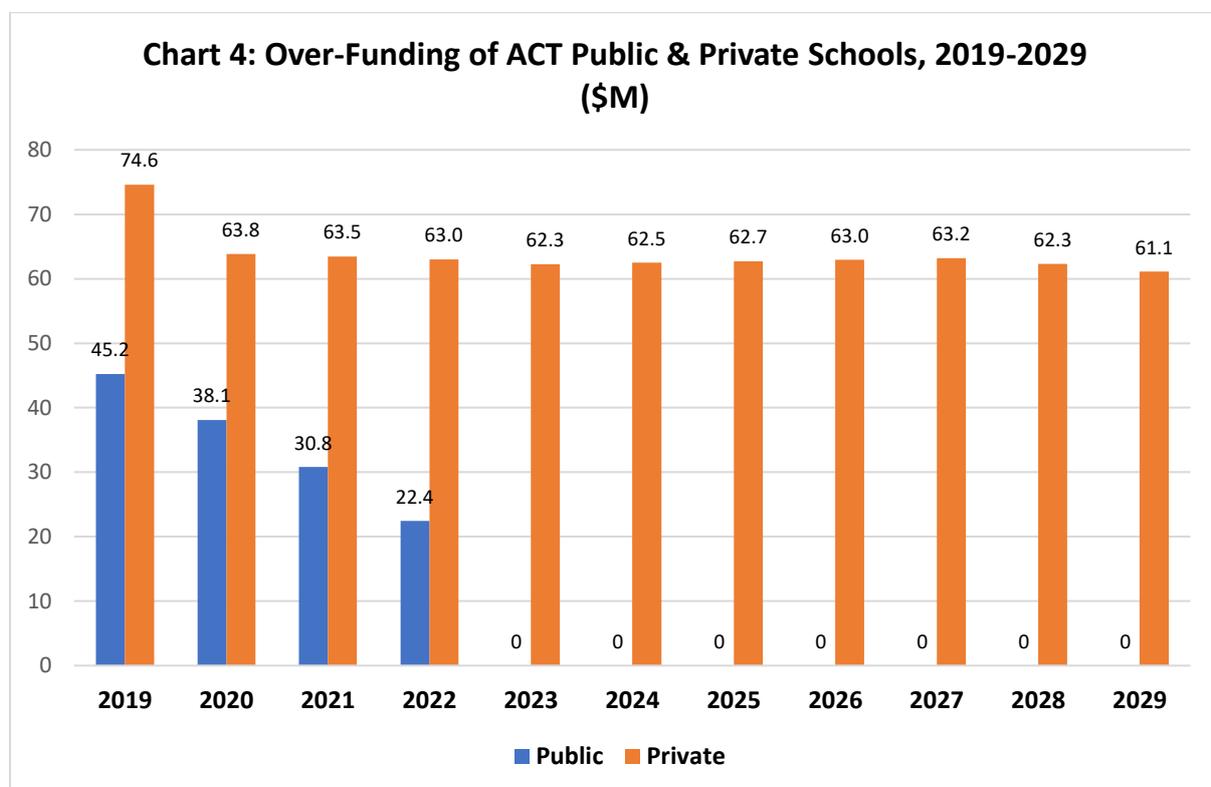
- The income disparity between public and Independent private schools also widened since the introduction of the Gonski funding plan in 2014 while the disparity between public and Catholic schools narrowed. Total income per student in public schools fell by \$607 (-4.7%) compared to an increase of \$1,343 (12.8%) in Catholic schools and \$682 (4.4%) in Independent schools [Chart 3].
- The large increase in the income of Catholic schools was mainly due to much larger Commonwealth and ACT Government funding increases than for public and Independent schools.
 - Real government funding per student in Catholic schools increased \$1,285 (18%) per student compared to \$75 (1.2%) per student in Independent schools and a cut of \$617 (-5%) in public schools.
 - The Commonwealth increased real funding for Catholic schools by \$1,008 (18.4%) per student compared to \$178 (3.8%) for Independent schools and \$35 (2%) for public schools.
 - The ACT Government cut funding for public schools by \$651 (-6.1%) per student and by \$103 (-6.2%) for Independent schools but increased funding for Catholic schools by \$277 (16.7%).
- Independent schools increased income from fees and other sources by much more than costs – \$603 (6.5%) per student – while Catholic schools increased income from this source by \$58 (1.7%) per student. Unlike Catholic systems in other states, the ACT system has chosen to rely on increased government funding to boost its income per student rather than increasing fees.



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.

ACT public schools face further funding cuts while private schools will remain massively over-funded

- Under the new Commonwealth/ACT funding agreement, real government funding for ACT public schools is due to be reduced further. Private schools will continue to be over-funded by virtue of another special deal from the Commonwealth [Chart 4].
- At present, ACT private schools are massively over-funded in comparison to public schools. Private schools are currently funded at 145.2% of their Schooling Resource Standard (SRS) and public schools are funded at 107.5% of their SRS.
- Under the new funding agreement, public schools are due to have their funding reduced to 100% by 2023. The Commonwealth will increase its funding of public schools from 17.4% of the SRS in 2018 to 20% by 2023 while the ACT Government will reduce its current share from 90.1% to 80% by 2023. The cumulative over-funding from 2019 to 2022 amounts to about \$137 million.
- Private schools are due to have their funding reduced to 100% of their SRS by 2027. The Commonwealth will reduce its share from the current 111.7% to 80% by 2027. The ACT Government will reduce its share from the current 33.6% to 20% by 2023. The cumulative over-funding from 2019 to 2027 amounts to about \$294 million – over double that of public schools.
- However, the planned reduction in Commonwealth 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 new funding arrangements announced by the Morrison Government last year.
 - 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.



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](#).

- Thus, 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 direction

- 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 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.
 - There is also a strong case for the ACT Government to continue to fund public schools at over 80% of their SRS because of the diseconomies of a small system, a factor which is not considered in determining the SRS.
- Public education organisations must to 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.

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SOS - Fighting for Equity in Education

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