

# SAVE OUR SCHOOLS

## Education Policy Comment

### Funding Gap Between Public and Private Schools Will Accelerate Over the Next Decade

Commonwealth Government funding of schools is now a complete schemozzle. The Morrison Government has abandoned public schools and blatantly favoured private schools with billion-dollar special deals. These deals will accelerate the funding gap between public schools and private schools over the next decade.

Private schools are already [much better resourced than public schools](#). In 2018, the total income of Independent schools was \$23,029 per student and \$16,401 per student in Catholic schools compared to \$14,940 per student in public schools.

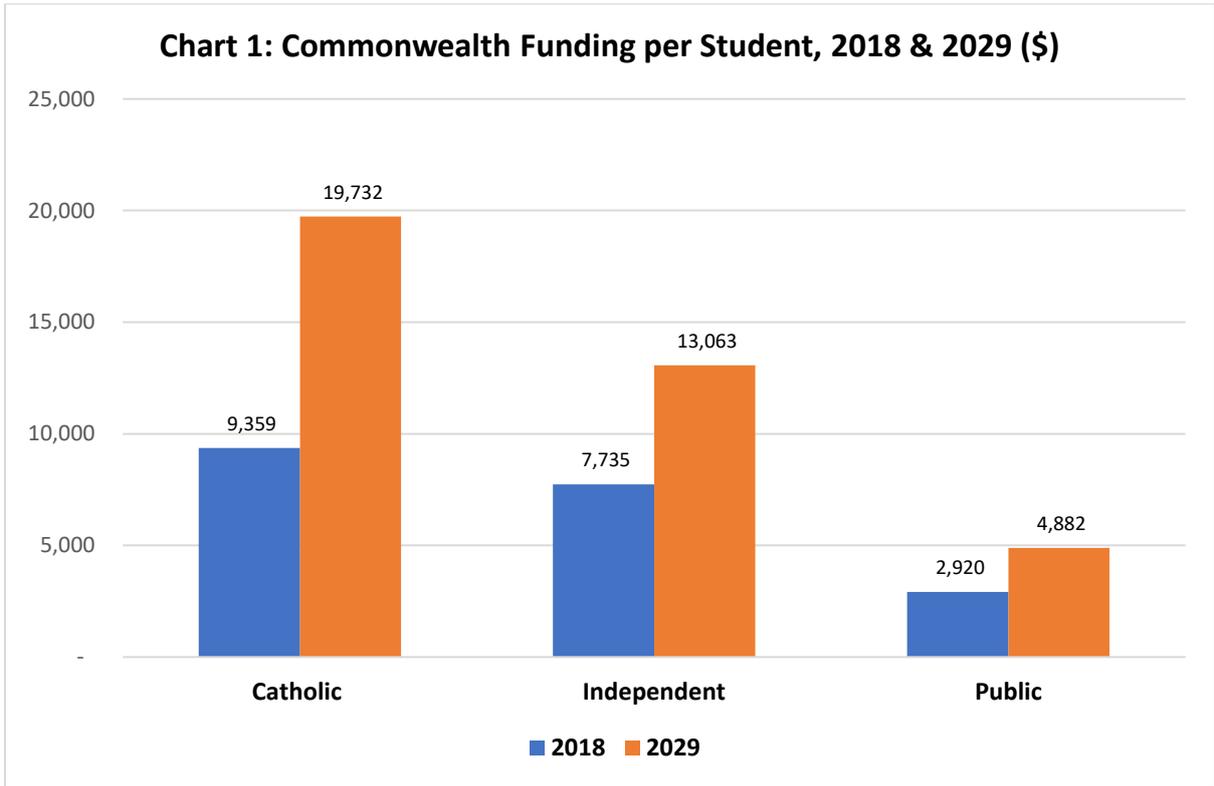
Government funding increases favouring private schools have contributed significantly to the resource disparity. Since 2009, government (Commonwealth and state/territory) recurrent funding for Catholic schools increased by 56% per student and by 62% for Independent schools compared to 34% for public schools. After adjusting for inflation, the real increases were 21% for Catholic schools, 25% for Independent schools and just 3% for public schools.

The resource disparity will widen even more over the next decade because of several special deals for private schools provided by the Morrison Government. Using official data provided by the Department of Education, Skills and Employment, Save Our Schools has estimated that Commonwealth funding for Catholic schools will be \$19,732 per student by 2029 and \$13,063 per student in Independent schools compared with only \$4,882 for public schools [Chart 1].

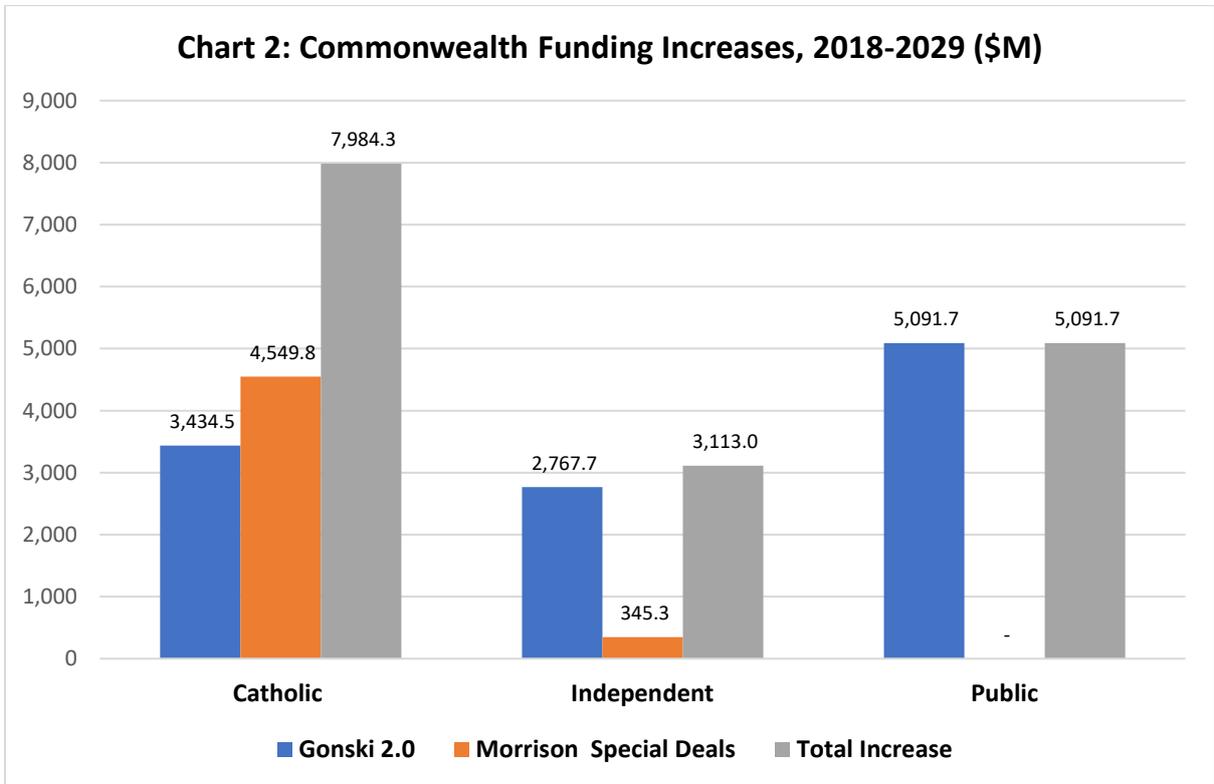
Commonwealth funding for Catholic schools will more than double between 2018 and 2029 with an increase of \$10,373 per student, and funding for Independent schools will increase by \$5,328 while public schools will only receive an increase of \$1,962 per student. These figures assume no change in enrolments from 2018. However, the Commonwealth will provide additional funding for enrolment growth.

Total Commonwealth funding for Catholic schools is due to increase by nearly \$8 billion between 2018 and 2029 compared to \$3.1 billion for Independent schools and \$5.1 billion for public schools [Chart 2]. The increases comprise funding increases for private and public schools planned under the Turnbull Government's Gonski 2.0 model and several special deals for private schools introduced by the Morrison Government. The aggregate increases convert to much smaller increases per student in public schools because enrolments in public schools are nearly double the enrolments in private schools.

Under the Turnbull Government plan, funding for Catholic schools was estimated to increase by \$3.4 billion, \$2.8 billion for Independent schools and \$5.1 billion for public schools. The special funding deals for private schools introduced by the Morrison Government heavily favour Catholic schools over Independent schools. Catholic schools will receive over 90% of the increase - about \$4.5 billion compared to \$345 million for Independent schools. None of this funding is available to public schools.



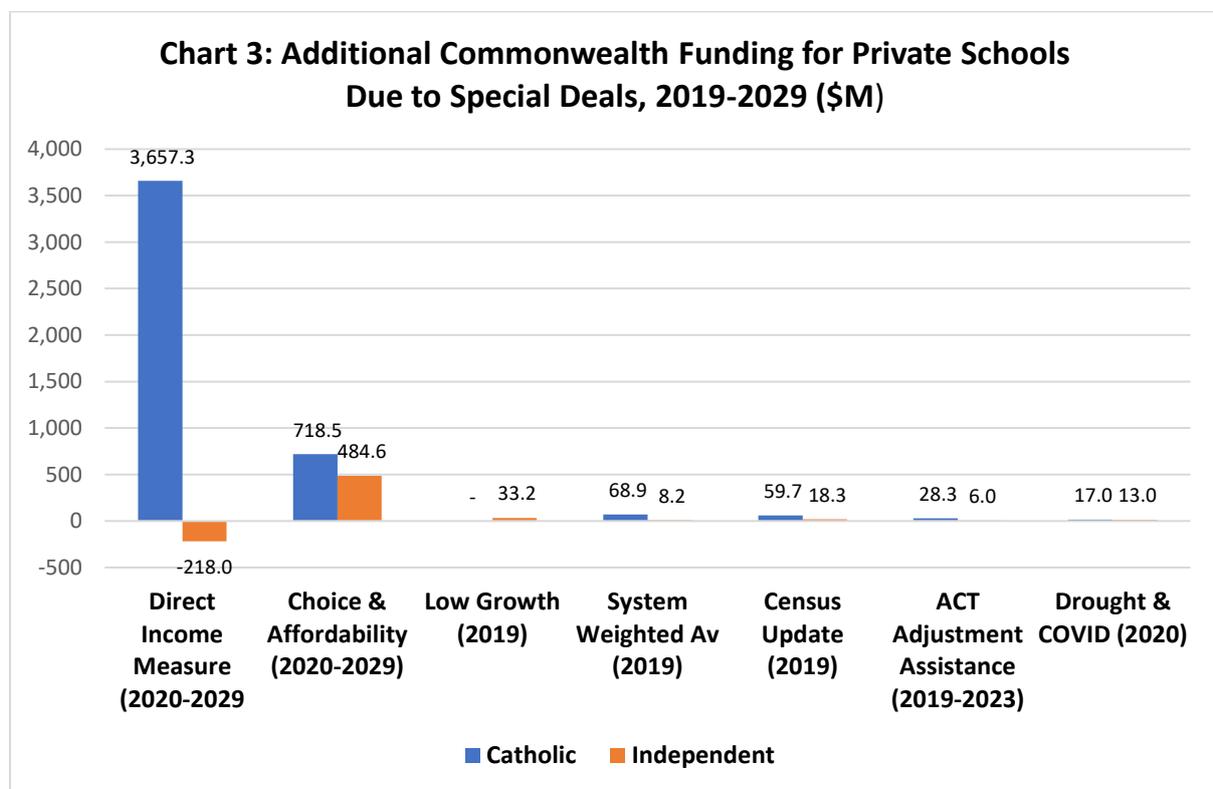
Sources: See Attachment



Sources: See Attachment

The huge increase in Commonwealth funding for Catholic schools is mainly due to the introduction of the new direct income measure of the capacity of families to contribute called Adjusted Taxable Income. Catholic schools will receive a funding increase of about \$3.7 billion because of this change while funding for Independent schools will be reduced by \$218 million [Chart 3]. Catholic schools will receive about \$719 million from the Choice and Affordability slush fund and Independent schools will receive about \$485 million.

Private schools also benefitted from several transition arrangements in 2019, including low growth funding, system-weighted average funding and census update funding. These special measures provided an additional \$188 million for private schools - \$128 million for Catholic schools and \$60 million for Independent schools. In addition, Catholic schools in the ACT will receive \$28 million in adjustment assistance between 2019 and 2023 while Independent schools will receive \$6 million. Private schools will also receive an additional \$30 million in funding in 2020 for drought and COVID-19 assistance.



Sources: See Attachment

The Morrison Government has completed the demolition of the Gonski funding model begun by the Abbott and Turnbull Governments. The Abbott and Turnbull Governments ditched the large funding increase for 2018 and 2019 that was planned under the original Gonski funding model, an increase that would have mainly benefitted public schools. The Morrison Government followed up with a massive funding boost for private schools over the next decade and no additional funding for public schools.

This massive funding boost for private schools is not based on need. [Public schools enrol over 80% of disadvantaged students](#) – low SES, Indigenous, disability and remote area students – and 95% of disadvantaged schools are public schools. Yet, public schools are destined to receive a much smaller increase in Commonwealth funding per student to 2029 than private schools.

The Morrison Government claims that the large part of the funding increase for private schools is based on need because it uses a direct income measure of the capacity of families to contribute. However, the direct income measure is fundamentally flawed because it [ignores many sources of family and school income and wealth](#).

It ignores income received from grandparents to pay all or part of school fees and make other purchases, non-taxed income from capital gains, and non-disclosed income in Australia or in overseas bank accounts and tax havens. It ignores tax-free donations received by private schools, running into millions of dollars. It ignores family wealth. Assets such as shares, securities and other investments are just as much part of capacity to contribute as direct income. It also ignores the wealth of schools such as land, buildings and investments.

As a result, the financial need of schools is over-estimated and they will receive more government funding than warranted. It will result in massive over-funding of Catholic and Independent schools.

A new approach to school funding is essential to provide adequate funding for disadvantaged students and schools. Labor and the Greens must start preparing a genuine needs-based funding model that eliminates the vast over-funding of private schools under the current approach.

8 November 2020

Trevor Cobbold  
National Convenor

## **SOS - Fighting for Equity in Education**

<https://saveourschools.com.au>

[twitter.com/SOSAust](https://twitter.com/SOSAust)

[saveourschools690@gmail.com](mailto:saveourschools690@gmail.com)

## Attachment: Data Sources

**School income and government funding 2009-2018:** ACARA, National Report on Schooling data portal.

**Enrolments:** ABS, Schools Australia.

**Gonski 2.0 Funding:** Senate Education and Employment Committee, Budget 2017-18, Additional Estimates, Answer to Question on Notice No. SQ18-000208. Funding for 2028-2029 is estimated on the basis of the average annual growth in funding from 2017 to 2027.

**Funding for Direct Income Measure:** Senate Education and Employment Committee, Budget 2019-20, Additional Estimates, Answer to Question on Notice No. SQ20-000154.

**Funding for Choice and Affordability Fund:** Department of Education, Skills and Employment, FOI TRIM Reference L19/17478, 23 January 2019.

**Funding for Low Growth Measure:** Senate Education and Employment Committee, Budget 2019-20, Additional Estimates, Answer to Question on Notice No. SQ20-000152.

**Funding for System Weighted Average:** Senate Education and Employment Committee, Budget 2019-20, Additional Estimates, Answer to Question on Notice No. SQ20-000152.

**Funding for Census Update:** Senate Education and Employment Committee, Budget 2019-20, Additional Estimates, Answer to Question on Notice No. SQ20-000152

**ACT Adjustment Assistance:** Senate Education and Employment Committee, Budget 2019-20, Additional Estimates, Answer to Question on Notice No. SQ20-000153

**Drought Funding:** Department of Education, Skills and Employment, Keeping kids from drought affected areas in childcare and schools.

**COVID-19 Funding:** Department of Education, Skills and Employment, Special Circumstances -School hygiene assistance fund for non-government schools.