

SAVE OUR SCHOOLS

Education Policy Comment

Ending Federal Funding of Public Education is Still on the Agenda

At the end of last month, [the Prime Minister floated the idea](#) that the Federal Government withdraw from funding public education as part of a proposal to allow the states to levy income taxes. The idea had a short life because at a meeting of the Council of Australian Governments (COAG) on the following day, the states rejected levying their own income taxes. A few days later, [the Prime Minister said](#) that he is “totally committed” to funding public schools [while the Minister for Education, Simon Birmingham, said](#) that the “Turnbull Government is not abandoning schools or public education and has never proposed doing so”.

These statements are highly misleading. COAG has decided to consider an alternative proposal that will have the same effect of ending targeted federal government funding of public education. The Prime Minister and his Education Minister are flagrantly misleading the public in the lead up to the election. It is a sleight of hand that ranks with Tony Abbott’s and Christopher Pyne’s 2013 pre-election big lie that the Coalition was on a “unity ticket” with Labor on school funding.

[COAG has agreed to consider](#) a proposal for the Federal Government to share personal income tax revenue with the states in return for reducing the number of tied federal grants to the states. The states would continue to receive federal funding but would not be required to spend it on specific purposes such as education. Under this proposal, there would be no targeted federal funding of public education as there is now, and has been for the last 40 years. It would be up to the states to decide how to spend their share of personal income taxation. In the extreme case, they could decide not to spend any of it on public schools.

[The Prime Minister said](#) that this is an historic reform. He specifically referred to schools and hospitals as candidates for reducing tied grants to the states in return for a share of personal income tax revenue. The Western Australian, South Australian and Northern Territory governments all publicly endorsed the proposal. In the post COAG wash-up, [the Assistant Treasurer, Kelly O’Dwyer, said](#): “It seems to make a lot of sense that the States should be fully accountable and responsible for education”.

The proposal has long been on the table as part of the Federal Government’s campaign to reform federal/state financial relations and make the states fully responsible for a range of functions, including schools. It was suggested as an alternative to the states levying their own income taxes by [the National Commission of Audit](#) [Phase One Report: 75-76; Appendix Vol. 1: 148-150, 155-157] and [the Reform of the Federation Discussion Paper](#) [95].

The proposal to end federal specific purpose funding of schools will be confined to public schools. The Federal Government will continue to have the main responsibility for funding private schools. [The Prime Minister has made it very clear](#) that the Coalition will not countenance handing over responsibility for private school funding to the states because they cannot be trusted to fund private schools adequately. He said that private schools “would not get a fair go from state governments”. [Simon Birmingham also made it clear](#) that the Federal Government would continue to be responsible for funding private schools.

The COAG decision clearly represents an ongoing threat to federal funding of public education. Work on untying federal grants to public education and, in return, provide a share of personal income taxation for the states will continue in the background. This was confirmed by Federal education officials who appeared at public hearings of the [Senate Select Committee on School Funding](#) [Hansard, 8 April]. The proposal will undoubtedly re-emerge after the election if the Coalition is re-elected. [The Assistant Treasurer indicated](#) that there would be ongoing discussions with the State Treasurers and the Premiers and that it would be on the agenda of the next COAG meeting, which will be later in the year.

Ending Federal Government funding of public schools would be a national disaster. It is likely to reduce the prospects for disadvantaged students and exacerbate inequity in education. It would most likely increase resource disparities between public and private schools. It would compound the inconsistency and incoherence of school funding in Australia so heavily criticised by the Gonski report. It would dramatically reverse the bi-partisan and nationally co-operative approach that has existed for over 40 years, whereby the Federal Government has provided important funding support for disadvantaged and Indigenous students, the large majority of whom attend public schools.

The COAG proposal would make public school funding even more uncertain than at present. The states would have complete flexibility in how to allocate their share of personal income taxation. Public education would face more intense competition for funding from a variety of other priorities and social needs that may also have lost their tied grants. There can be no guarantee that public education’s current share of funding will be maintained in the future, let alone increase to meet student needs.

Indeed, the proposal could lead to even further reductions in state funding of public education. The states have a bad record in supporting public education in recent years. Save Our Schools figures show that State funding per student in public schools, adjusted for inflation, fell by 6% from 2009-10 to 2013-14 but increased by 6.7% for private schools. Funding for public schools fell by \$623 per student and increased by \$153 per student in private schools.

Certainly, the large amount of additional funding identified by the Gonski report as needed to address extensive disadvantage in public schools is even more unlikely to be forthcoming. The Abbott and Turnbull Governments sabotaged the Gonski plan by refusing to fund the last two years of the plan and releasing the participating states from their commitments to increase school funding over the six years of the plan. The non-participating states made no commitments to increase funding for public schools.

The loss in additional Federal Government funding for public education over the last two years of Gonski amounts to about \$4.7 billion. It is highly unlikely that the states would fill this hole if they took over full responsibility for public education. It is not even clear that they will fulfil their own commitments under the original plan to increase funding. NSW is the only state that has fully committed to meeting its share, which amounts to about an extra \$1.4 billion for NSW public schools over the six years.

At this stage, it is not possible to determine the extent to which the states have provided additional funding under the plan because nationally consistent funding data is not available beyond 2013-14. If none of the states, apart from NSW, increase funding according to the original plan, the loss in funding of public education to 2018-19 would be a further \$2.6 billion, giving a total loss in Federal and state funding of over \$7 billion.

Handing over federal funding to the states without any requirements on where they spend it would abandon the bi-partisan approach of the last 40 years whereby federal governments have provided additional funding support specifically directed to disadvantaged students, including low income, Indigenous, remote area and disability students. Over 80% of these students attend public schools. While this funding has never been adequate, as demonstrated by the Gonski report, it has been an important source of additional resources for disadvantaged schools and students. Under the COAG proposal, there will be no guarantee that the states will provide this additional funding for disadvantaged students or that it will be adequate to improve outcomes. It means abandonment of the national effort to improve results for disadvantaged students and reduce the large achievement gaps between rich and poor which is at the centre of the Gonski plan.

Making the states fully responsible for funding public education also appears to abandon the Federal Government's constitutional responsibilities for Indigenous Australians and the long-standing national goal of improving educational outcomes for Indigenous students, 84% of whom attend public schools. The latest NAPLAN results show that by Year 9, Indigenous students are 3-4 years of learning behind non-Indigenous students in reading, writing and numeracy. Only last February, the Prime Minister re-affirmed the Government's commitment to reducing this gap. The new school funding proposal appears to be a major policy reversal.

The COAG proposal also reveals a major contradiction in national education policy. Over the past 15 to 20 years, COAG has developed a national approach to school education, most notably, through national standards in literacy and numeracy, national student performance assessment, a national curriculum, national teaching standards, and a national information base on school resources and performance. [The Prime Minister](#), [the Federal Minister for Education](#) and [some state leaders](#) have said that these national approaches will be maintained. [The Minister for Education emphasised](#) that the Federal Government will continue to provide leadership in terms of areas such as NAPLAN, national assessment reporting on literacy and numeracy skills, and My School.

Despite acknowledgement of the Federal role in school education, the Federal Government and COAG now propose to further fragment funding of schools. So, we will continue to have

national education goals and standards, but not a national funding approach to supporting them. The Federal Government and COAG want national consistency in education standards, but not national consistency in funding public education.

The COAG proposal would compound the incoherent and uncoordinated approach to school funding in Australia so heavily criticised by the Gonski report, and make it more difficult to achieve progress towards national goals in education agreed by governments under the National Education Agreement 2009.

First, the states are likely to continue to make different decisions about how much to fund public education and disadvantaged students. Some governments may choose to put more into public education, and others less. Different funding decisions could well compound existing differences in school outcomes between regions for students in public schools, and especially for disadvantaged students, that the Gonski plan was designed to overcome.

[The Report on Performance 2016](#) issued by the COAG meeting which assesses progress towards the national goals shows significant variation in student performance between the states. There are significant differences between the states in the proportion of students meeting national literacy and numeracy standards and in average literacy and numeracy test scores. Some states saw improvements in literacy and numeracy results in some Year levels since 2008 while other states made no progress. The highly variable school performance between the states is unlikely to change in the absence of a nationally consistent school funding plan that is focussed on reducing disadvantage in education.

Second, the determination of the Prime Minister and the Minister for Education for the Federal Government to remain responsible for funding private schools means that they will be assured of continued large funding increases as they have in the past, while public schools will be subject to the uncertainties of state policies. Save Our Schools figures show that between 1999-2000 and 2013-14, Federal Government funding per student in private schools, adjusted for inflation, increased by 37% while state government funding per public school student increased by only 9%. The COAG proposal would very likely exacerbate disparities in resources between public and private schools which, in turn, is likely to worsen the achievement gaps between advantaged and disadvantaged students because private schools enrol only a small percentage of disadvantaged students.

The Prime Minister claims that the Federal Government should retain responsibility for funding private schools because the states cannot be trusted to fund them adequately. The fact that state governments have demonstrably failed to provide adequate funding increases for public schools is not of concern to Mr. Turnbull. The Prime Minister wants national responsibility for supporting the privileges of private schools, but not national responsibility for reducing inequity in education.

The Prime Minister's support for ending federal funding of public education exposes his many statements endorsing a "fair go" for all Australians as a complete sham. Giving the states full responsibility for funding public schools while retaining federal funding of private schools clearly demonstrates that the Government gives high priority to funding private schools but not to funding public schools and to supporting advantaged students, not

disadvantaged students. [As Tony Abbott once said](#) of the priority that the Liberal Party gives to funding Independent and Catholic schools: "It's in our DNA".

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