

FEDERAL BUDGET REPORT - 2004

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The Australian Government 2004 Budget, which was delivered on May 11th, offered virtually nothing to supporters of public education. Despite the many calls to put public services first, in a Budget that was generally heavily weighted to tax cuts for the better paid, education was not a priority.

There were no major initiatives to correct the imbalance in public school funding, to address the shortage of TAFE placements, or to show some leadership on the issue of early childhood education.

The government had already shown that it intended to continue its funding bias to private schools when, on March 11th, it announced its intention to give 69% of its proposed funding for the 2005-2008 quadrennium to private schools. Similarly, the Indigenous funding announcements on 5th April failed to initiate major reforms to these programs.¹

In this previous announcement, Minister Nelson excused his failure to assist state and territory governments to adequately fund public schools on the grounds that his responsibility lies with private schools. However, in a marked contrast, he showed a desire to control how they operate. To the list of accountability measures previously announced, he is now apparently intent on ensuring that “School principals will be given more autonomy to make decisions on their schools”(Budget Overview, p. 15), He certainly believes that control of public schools is easily bought.

The Government had also previously failed to reach agreement with the states and territories on ANTA funding.

The following, then, are the few small items not previously announced or for which there is additional information.

1. The Funding Guarantee

The Funding Guarantee applies to those private schools that would have lost out in the change from an SES based on the 1996 Census compared to the 2001 Census. It had previously been announced that these schools would be guaranteed their current level of funding until increases brought them into line with their new funding level. The cost of this, \$4.8 m, was shown for the first time in the Budget.

2004 -05	2005-06	2006-07	2007-08	Total
\$4.1m	\$0.6m	\$0.1m	-	\$4.8m

¹ See separate reports at <http://www.aefederal.org.au/Debates/FundQuad2005Rep.pdf> and <http://www.aefederal.org.au/Atsi/Indigfundquad.pdf>

2. Values for Life Initiative

The only major new announcement in the schools area was funding for a “Values for Life Initiative”. This is essentially an attempt at a bit of window dressing following the backlash against Howard’s previous attempt to suggest that public schools were valueless. Again, the insidious undermining is there, with the phrase “A values-free education will produce values-free adults” in the media release. The reality, of course, is that no schools are values neutral, and that the suggestion they are is a calculated both to insult to schools and divert attention from the financial neglect. Nevertheless, any additional money will be welcomed and put to good use! The funding is:

2004 -05	2005-06	2006-07	2007-08	Total
\$6.5m	\$10.5m	\$8.9m	\$8.8M	\$34.7m

This includes \$4.9m to continue some elements of the previous Ministers’ favourite diversion from the real issue of funding – the Civics and Citizenship Education Program, which has otherwise expired.

In reality, this new programme is not all new money. About \$18m of the money is taken from the New Apprenticeships scheme by axing employer incentives to employ apprentices in government agencies and female apprentices in some areas, and some also comes from the Research Evaluation program.

It is billed as an “average \$1600 per school”. At its peak in 2005-06 this works out to a little over \$3 per student (or \$11 per student over the four years). Like much of what Nelson does, it is about the appearance of doing something, not anything of real substance.

His media release indicates that this token amount is to be spread over:

- Values education forums in every school in Australia involving parents and the whole school community;
- champion schools to showcase best practice approaches in line with a national framework on values education;
- drug education forums in every school in Australia informing students about drugs, drawing on the experiences of students themselves. This is in addition to the \$14.9m which the Government is providing over the next four years for school drug education through the continuation of the *National School Drug Education Strategy*;
- curriculum and assessment resources for all schools to teach values; and
- national activities such as partnership projects with national parent, teacher, school principal and teacher educator organisations.

The values to be fostered include “tolerance, trust, mutual respect, courage, compassion, honesty, courtesy and doing one’s best”. It is perhaps as well the government does not feel comfortable enunciating the values it actually demonstrates!

3. Boosting Science, Mathematics And Technology Teaching

In the only measure related to the “Australia’s Teachers: Australia’s Future” report \$38.8m is to be provided over seven years to fund approximately 500 science and innovation projects in schools and provide 1300 places to encourage Science, Mathematics and Technology graduates into teaching. Such small measures are unlikely to address the ever growing problem of teacher shortages.

4. The Drug Education Program

The Drug Education Program has been rolled over as forecast at a cost of \$14.9 m over four years, (not classed as new money).

5. The Enrolment Benchmark Adjustment (EBA)

The infamous Enrolment Benchmark Adjustment lives on (for NSW especially) through a programme called Extension of Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools Programme, which returns the money that would have been collected through the EBA to the states and territories with strings attached. (BP2, p.137)

6. VET/ANTA

Funding for the operations of ANTA appears to decline; however the Appropriation increases from \$11, 845m to \$12, 043m.

The ANTA section of the Budget Portfolio statement indicates that this is due to a couple of factors. The reported estimated revenue from commercial contract work for other government agencies declines from \$5.2m to \$2.6m. The other components lie with the treatment of ANTA contract staff costs. Some contracts have ceased and the contract revenue will not be recognised in future until the expense is incurred. Estimated expenses related to suppliers in total fall by around \$6m.

ANTA: Agency operating activities, cash flow.				
2003-04	2004 -05	2005-06	2006-07	2007-08
\$21m	\$15m	\$14m	\$13m	\$13m

7. Direct purchase of VET places

There is a new program reported for VET in regard to “Direct purchase of places for priority under the Australians Working Together programs”. This is funding that has been reallocated to the direct purchase of places by the Australian Government, one of the penalties imposed on the states and territories for refusing to sign up to the Australian Government 'offer' for the next ANTA Agreement.

This is significant in that funds for VET have been directed outside the ANTA Agreement. It is expected that TAFE will pick up a share of this money.

8. Adult Migrant English Program

Through the Minister for Citizenship and Multicultural Affairs there is an increase of \$36.8m over four years for additional ESL courses to “enable humanitarian entrants aged 16-24 with low levels of schooling to be offered up to 400 hours of tuition... and supplement existing hours offered to those over 24 years”. (Minister’s Media release).

9. After school care

There are an extra 30,000 places in after-school care at a cost of \$122.4 m over four years (BP2, p. 169).

10. GST

Budget Paper 3 (p.16) shows that only NSW still received Budget Balancing Assistance in the past year, and that as of this financial year all states and territories will receive more through the GST than they would have under FAGS. Whilst the increases at this stage are comparatively small, it seems that the GST ship should finally be coming home. Does this mean we can look to state or territory governments to increase their expenditure on public services?

Tables

Year by year breakdowns of forward estimates, shares to public and private schools and the previously announced quadrennial funding, are shown in the following tables.

Note that the extent to which the amount spent on private schools exceeds expenditure on any other education area continues to grow, that the proportion of schools funding that goes to public schools continues to decline. By 2007-08 public schools receive only 31% of the total and only 26% of the recurrent expenditure provided by the Australian Government for schools!

TABLE 1 - SUMMARY OF FORWARD ESTIMATES (BP1, P. 6-28)

EDUCATION	Actuals	Estimates		Projections		
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m	\$m	\$m
Higher Education	4017	4447	4735	4968	5252	5296
Vocational and other Education	1323	1417	1466	1525	1517	1551
Non-Govt Schools	3869	4450	4876	5260	5639	6037
Government Schools	2143	2290	2440	2596	2728	2869
Schools	6013	6740	7316	7856	8367	8906
Student assistance	641	596	588	561	562	546
General administration	0	1	1	1	1	1
School Education - specific funding	115	137	114	112	100	101
Total Education	12109	13338	14221	15024	15800	16400

TABLE 2 - SCHOOLS FUNDING, SHARE TO GS ((SUMMARISED FROM BP3))

Funding to Schools						
\$000		2003-04	2004-05	2205-06	2006-07	2007-08
Recurrent	GS	1,561,439	1646502	1748659	1857336	1967413
	NGS	4109833	4490212	4848492	5215494	5598965
	Total	5671272	6136714	6599151	7072830	7566378
	% GS	27.5%	26.8%	26.5%	26.3%	26.0%
Targeted	GS	350045	371292	388470	408886	431237
	NGS	174873	190488	199484	210145	221404
	Total	524918	561780	587954	619031	652641
	% GS	66.69%	66.09%	66.07%	66.05%	66.08%
Capital	GS	249417	265146	275366	274798	280294
	NGS	98052	108251	112621	112391	114636
	Total	347469	373397	387987	387189	394930
	% GS	71.78%	71.01%	70.97%	70.97%	70.97%
Total GS		2,160,901	2,282,940	2,412,495	2,541,020	2,678,944
Total NGS		4382758	4788951	5160597	5538030	5935005
TOTAL		6,543,659	7,071,891	7,573,092	8,079,050	8,613,949
	%GS	33%	32%	32%	31%	31%

Table 3 - EXPENSE MEASURES

Education Science & Training	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
Indigenous Education Agreement 2005-08	7.0	12.1	11.8	11.3
National Schools Drug Education Strategy Continuation	-	-	-	-
New Apprenticeships Incentives Programme employer incentive for Australian Government Agencies	-2.7	-2.8	-2.9	-3.1
New Apprenticeships Incentives Programme targeting women in non traditional occupations	-0.8	-2.1	-2.1	-2.1
Schools – Capital Grants Programme for isolated non-govt schools	4.0	4.3	4.3	4.4
Schools – independent schools funding guarantee	4.1	0.6	0.1	-
Schools – integrate Catholic systemic schools into the socio-economic status funding model	76.3	86.9	93.3	99.7
Schools – Literacy, Numeracy and Special Learning Needs Programme	10.2	5.8	5.2	5.6
Values for Life Initiative	-	6.0	6.0	6.0
Vocational Education and training – direct purchase of places for priority groups	6.5	10.5	8.9	8.8

(Note: figures in Table 3 related to new money, and there are therefore some differences to the previous outline)