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## **MEDIA RELEASE**

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### **Flawed figures underpin Federal schools funding package – *AEU calls for Senate Inquiry***

The Australian Education Union today released two substantial research reports that show that the figures used by the Federal Government to calculate funding to private and public schools were inaccurate and misleading, and that billions of dollars of federal school funding had no accountability measures at all.

The AEU Federal President Pat Byrne today said that the reports raised very serious issues of inaccuracy and mismanagement of Government funding, and that a Senate Inquiry was required to open up the funding model to proper public scrutiny.

“It is very important that the public know how more than \$30 billion of Government money is being spent in education,” Ms. Byrne said.

“The reports we are releasing today reveal that the Government’s spin on education funding cannot be substantiated, and indeed is misleading to Australia’s parents”.

“A Senate Inquiry would allow a proper evaluation of the current funding model, and provide an opportunity to test the accountability measures attached to more than \$20 billion that is going to the private sector,” Ms. Byrne said.

The AEU today released two research papers – one prepared by former Productivity Commission economist, Trevor Cobbold, and the other by the Australian School of Government Studies.

#### **1. Cobbold Report – government figures underestimate increases to private schools**

Trevor Cobbold, a former economist with Productivity Commission has analysed the Government’s education figures. He found them ‘inaccurate and misleading’. Once realistic figures were substituted it showed that the Government’s package will increase the funding advantage Independent schools enjoy over government schools to over 40%.

Federal President of the Australian Education Union, Pat Byrne said “It is clear from these figures that the inequity is growing and that the Federal Government’s funding policies are largely responsible. It is also clear that the money being lavished on elite private schools by the Federal Government cannot be justified when real need is being ignored.”

## **2. Australian School of Government Studies Report – Lack of accountability measures on private school funding.**

The government studies report shows that while Federal Government funding to private schools has grown to over \$5 billion annually there is little accountability for how the money is spent. The report shows that Australia stands out in international comparisons because it provides high levels of financial assistance to private schools but has minimum regulatory oversight.

“In its rush to provide funding to private schools the Howard Government has failed to make sure that the money is being spent in the public interest. The report says accountability mechanisms are weak in a dozen key areas. It has found that education funding is more likely to be determined by ‘partisan back door deals to win government benefits’ than a needs assessment of Australian society”.

"Is public money being wasted on promotional and marketing activities, principals' salaries in excess of \$350,000 pa and opulent facilities designed to draw students from other schools rather than on the real educational needs of all Australian students? The Government doesn't know and doesn't appear interested in finding out”.

“For all his talk of greater accountability the Education Minister has failed to ensure basic accountability and transparency in a \$5 Billion plus per year funding package for private schools. The AEU supports the recommendations of this report for the creation of a national Schools Advisory Council so that educational spending is done for the public good”, concluded Ms. Byrne.

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## **Federal Education Figures ‘Inaccurate & Misleading’**

In an analysis of school funding figures issued by NCEC/DEST, Trevor Cobbald, an economist who worked for the Productivity Commission for many years, found that the DEST figures were “inaccurate and misleading”.

He found that alternative, more realistic, estimates of the future funding of government and non-government schools indicate that in 2003-04:

- Non-government schools will increase their funding advantage over government schools from about 7-8% in 2000-01 to 12-17%;
- Catholic school funding will improve from 8-9% below government school expenditure in 2000-01 to being on a par with government schools;
- Independent schools will increase their funding advantage over government schools from 31-36% in 2000-01 to 40-44%.

Furthermore, if adjustments were made to take account of factors associated with the needs of the student population, the non-government school funding advantage over government schools would be even higher than the above estimates.

## **Federal Private School Funding ‘Lacks Accountability’.**

**A new report prepared by the Australian School of Government Studies shows that while Federal funding to private schools has grown to over \$5 billion annually there is little accountability for how it is spent. The report shows that, internationally, Australia stands alone in providing high levels of financial assistance to private schools but with minimum regulatory oversight.**

The report calls for greater accountability from private schools on:

- Transparency and auditing of accounts to ensure government money is not used as ‘substitution money’ to free up other funds to promote the schools, extend scholarship systems and build superior facilities
- Capital funding and whether assets purchased with government funds continue to be used for the purposes which they were funded
- Salary packages and whether public funds are used to offer big salaries to ‘cherry-pick’ the public school sector
- Entry and expulsion criteria and whether private schools should be free to discriminate in the selection of students if they receive government money
- Teacher registration to ensure all teachers in private schools are qualified
- Fee regulation

The report also calls for government representatives to be appointed to school boards, and for private schools to be bound by democratic and non-discriminatory values. They should also be made to comply with all anti-discrimination Acts.