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AEU Parliamentary Brief

Issue Number 4, March 2004

MINISTER NELSON'S MISLEADING CLAIMS

The Australian Government has recently issued a document headed 'School Funding – the Facts'. The sections in italics below are quotations from this document. The other parts are the AEU's responses extracted from an AEU commentary on the full document which can be viewed on the AEU site at: <http://www.aeufederal.org.au/Debates/Respfacts.pdf>

Claim 1

To understand the issue of school funding it is important to consider the combined funds from both the Australian Government and the State or Territory Governments...

Overall, State schools receive considerably more public money than Catholic or Independent schools.

State government schools enrol 68% of students and receive 76% of total public funding for schools, while Catholic and Independent schools enrol 32% of students and receive 24% of total public funding.

The issue is not how much government money each sector gets, but that Australian Government funding increases inequity by giving large sums of money to private schools which already operate at two and three times the resource levels of public schools.

Approximately 37% of all money (including fees and other private income of private schools) spent on schools goes to the 31% of students in private schools. In 2003-2004 about \$11 billion will be spent on the 30% of students in private schools, whilst about \$19 billion will be spent on the 70% in public schools.

Funding to Australian Schools 2003-2004

	Public Schools	Private Schools
Commonwealth	\$2 262m (12%)	\$4 373m (40%)
State and Territory	\$16 588m (88%)	\$1 859m (17%)
Private		\$4 701m (43%)
Total	\$18 850m	\$10 933m
% of total funding	63%	37%

Source: Calculated from Budget Paper No. 1, pp6-19, 2003

Claim 2

Australian Government funding has risen by an estimated 60% since 1996. Inflation over this period was around 20%.

This claim takes the difference between two different indexation rates (inflation and the AGSRC) and claims it as an increase.

Each year Australian Government grants to schools (both public and private) are indexed to the average increase in state and territory expenditure (called the AGSRC), a provision included in legislation. Because school costs are rising more quickly than the general inflation rate, the AGSRC is a lot higher than the overall inflation rate. DEST is claiming that the difference between them is an “increase”. A more honest comparison would be with the Educational Costs Index, which measures the inflation in education.

Claim 3

The 2003 Australian Government budget delivered a 5.5% increase to state government schools. Meanwhile the average State and Territory government budget increase to their own schools was only 2.1% – below inflation rate.

Australian Government funding to public schools, unlike that to private schools, has not increased above that resulting from the AGSRC.

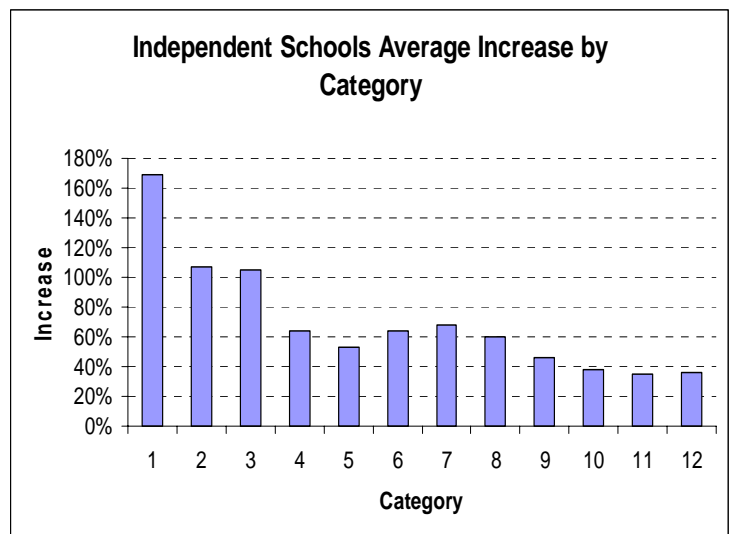
The increase in the amount the Australian Government is spending on public schools is therefore the average of the increase by the states and territories.

Claim 4

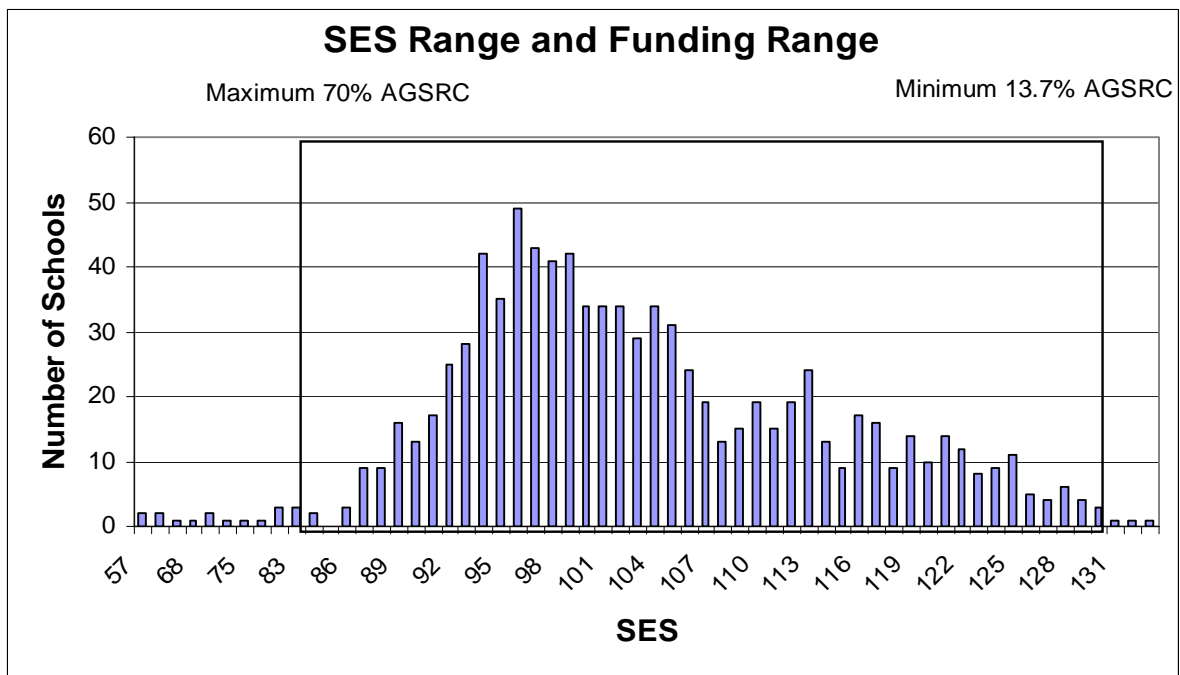
The Australian Government funds non-government schools according to a formula which measures the socio-economic status of the communities they serve. Schools which draw students from the neediest communities receive from the Australian Government 70% of the cost of educating a student in a State government school. Schools serving the wealthiest communities receive about 13.7% of that cost.

The model does not allocate funding on the basis of the needs of the school, nor does it allocate on the basis of the socio-economic level of the parents, but on the basis of their neighbourhood. Of course, those sending their children to private schools are not typical of the neighbourhood. The SES model gave the biggest increases to the wealthiest schools.

On average, former Category 1 schools, which included those schools with the most resources, the highest fees, and so on, got a 144% increase in Australian Government funding, whilst those in Category 12, the poorest, got a 30% increase (See Graph). Thus schools such as Haileybury and Geelong Grammar in Victoria have received increases of over 290% and 250% respectively, and Trinity Grammar and The Kings School in NSW have received an increase over 250% and 200% !



Although the funding range is from 13.7% to 70% of the average government school, in fact the majority of schools are funded in the upper half of that range, as shown in the graph below. Only two schools in the whole of Australia are judged to be “serving the wealthiest communities”.



The range is skewed to the wealthy schools. There are very few schools at the minimum and a lot of schools at the maximum.

The SES model does not take any account of the wealth of the school or the fees they charge. Some of the schools recognised as the wealthiest are not funded at the minimum as would be expected, but in fact are well up the funding range. Many schools which charge fees in the region of \$15 000 are not considered to be serving wealthy communities.

COALITION CATHOLIC SCHOOL FUNDING BOOST

On 1st March John Howard announced that Catholic systemic schools would be given an extra \$362 m over four years to join the SES system and that the benefits would go to needy Catholic schools.

However, there are number of facts which the Prime Minister did not make clear:

- Only about 40% of Catholic schools, which will be better off, will be funded at their SES rate. The other 60%, whose SES rate is below their old rate, will be “funding maintained” at the old rate.

- A number of the wealthy Catholic schools which charge fees in excess of \$10,000 will still be heavily subsidised by the taxpayer despite operating well above the level of resources of government schools.
- Funds will not be paid to the schools themselves but to the Catholic systems, so whether the needy schools will receive it is up to the systems, not the government.
- As a result only about 55% of all NGS schools will be funded by their actual SES score; the other 45% will be overfunded.
- Independent research for the AEU suggests that Catholic schools are already better funded than government schools, given their student characteristics. The question that has not been asked is why after thirty years of funding to bring them up to the level of public schools, they still claim to have schools operating below the standard.

The research referred to above can be viewed at: www.aeufederal.org.au/Debates/estfundnonggov.pdf

FROM THE PRESIDENT

Yes, let's talk about values!

Prime Minister John Howard's extraordinary claim in January that public schools are "values neutral" and "too politically correct" got the massive public backlash it deserved.

Private and public sector educators, parents, community figures, and even two state governors were united in their vocal opposition to the Prime Minister's remarks. The debate that followed overwhelmingly supported teachers in government schools.

Plainly, 2004 is a federal election year, and Howard's somewhat contradictory remarks were diversionary tactics designed to draw attention away from the main issue of his government's unfair education funding policies.

"But it's an election year, and pragmatism—or, some might say, hypocrisy—is evident..."

Not coincidentally, he made these claims on the same day as the AEU's public education campaign launch during Federal Conference.

The debate showed that Howard and Nelson are not just pro-private education: they have moved firmly into the anti-government school camp.

There was a recent story in the *Adelaide Advertiser* on why education minister Brendan Nelson swapped public for private education—and, again, the release of this 'news' was strategically timed to coincide with the launch of the AEU's television advertisement. The story was carefully calculated to keep the 'values' smokescreen going, though

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Autumn 2004

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this time with a more subtle and less antagonistic message.

Over the last weeks, the federal government has clearly restated its values: it supports elitism and inequity in education. It has no intention of moving away from the current funding model and policies that exacerbate the differences between rich and poor schools.

But it's an election year, and pragmatism—or, some might say, hypocrisy—is evident in the Prime Minister's recent round of appearances at public schools. Make no mistake: party polling is showing education as a big issue and Howard recognises he has some damage to undo.

This was reinforced by a joint announcement from the Prime Minister and Cardinal George Pell of an additional \$362 million for Catholic schools. This deal sees the Catholic system 'join' the SES funding system under terms which guarantee that those schools which would attract less money on the basis of their SES score will have their funding maintained at their current levels in real terms.

What isn't clear is whether the funds will go directly to the schools with an SES rating below 96 or whether the Catholic sector will continue to receive the money as a block of funding to be distributed at their own discretion. Funds delivered

'en bloc' make a further mockery of the SES system.

The government's injection of additional funds is a cynical attempt to prop up its weak 'needs-based' argument.

Howard's sudden 'realisation' that the Catholic system "contain(s) some of the most under-resourced schools in Australia" does absolutely nothing to change the fact that the funding model ensures that the wealthiest schools will continue to receive the biggest increases.

The injection of new money into the Catholic sector simply increases the funding disparity between the public and private sectors. And yet again it confirms the elitist ideology of this government.

It is clear that the greatest numbers of students from poor backgrounds are enrolled in government schools—no matter what their religious affiliation. This is as true of the Catholic sector as it is of the independent and any other sector.

What we need from this debate on values is for all opposition parties to support increasing and prioritising funding to public schools. And, instead of continuing with the seriously flawed system currently in place, these parties must endorse a new and just funding arrangement that genuinely reflects the values of decency and a fair go. ■

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(Extract from the Australian Educator, Autumn 2004 edition)

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