



Pre-Budget submission to the Department of Treasury on priorities for the 2020-21 Budget

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Introduction

The Australian Education Union (AEU) represents over 189,000 educator members employed in the public primary, secondary, early childhood and TAFE sectors throughout Australia.

We welcome the opportunity to submit our views on priorities for the 2020-21 Budget.

We note the Government is seeking pre-budget submissions as part of its plan towards “securing a better future for all Australians.” Public education is without a doubt the bedrock from which all Australians can secure a better future and the AEU strongly recommends that a significant investment is made in the proper and full funding of public education. This submission makes the case that properly funding and resourcing education, from the early years through schooling to post-secondary education is essential to fairness, equity, opportunity and security in this country.

The AEU believes the proper funding of public education through a needs-based, sector-blind model that incorporates the full Schooling Resource Standard (SRS) provides the basis for fairness and equality of opportunity in education. As such, it should be seen as a sensible and responsible investment rather than viewed in a reductionist way as a cost that must be contained.

Changes to Commonwealth funding arrangements for education contained in the *Australian Education Act* amended in 2017 dismantled the co-ordinated needs-based approach to schools funding initiated by the *Australian Education Act 2013*, and in the two and a half years since the *amendment* there has been further destruction of the original aims and focus of the 2013 Act. The \$3.6 billion of additional private schools funding over ten years from 2020 coupled with the euphemistically named \$1.2 billion “Choice and Affordability Fund, both announced in September 2018, demonstrate that the Government’s current funding priorities are neither needs based nor sector blind. In addition, the failure to honour signed National Education Reform Agreements (NERA) that states and territories had made with the Commonwealth has resulted in public schools not receiving \$1.9 billion of funds that were expected under these agreements in 2018 and 2019. This was the first part of an estimated \$14 billion of funds previously promised to public schools over the next decade that will now, under the new National School Reform Agreements, not be provided.

Changes to state and federal funding of schools announced in a series of bi-lateral National School Reform Agreements (NSRAs) signed between the various state governments and the Commonwealth in 2018 and 2019 further entrench funding inequality. The result of these agreements is that 1.3% of public schools will meet the SRS from combined State/Territory and Commonwealth Government’s contributions by 2023 compared to over 90% of private schools.¹

This submission will demonstrate these changes are neither fair nor fiscally responsible. On the contrary, they deepen the existing inequity between school systems and the gap in learning outcomes in education. The AEU’s position, which is supported by a large and credible body of national and international research, is that investment in equity in our education system is vital to Australia’s social cohesion, employment, continued economic growth and future commercial prospects.

¹ AEU internal analysis of NSRA bi-lateral agreements 2018-19, retrieved from <https://www.education.gov.au/national-school-reform-agreement-0>

The Organisation for Economic Development's (OECD) recent *Education at a Glance 2019* accurately conveys this view when it says:

Giving everyone a fair chance to obtain a high-quality education is a fundamental part of the social contract. To improve social mobility and socio-economic outcomes, it is critically important to eliminate inequalities in educational opportunities. A population that is highly qualified across diverse fields of study promotes inclusive growth by broadening the pool of candidates for highly skilled jobs....Higher levels of educational attainment are associated with several positive economic and social outcomes for individuals. Highly educated individuals are more socially engaged and have higher employment rates and higher relative earnings.²

In light of the proven positive correlation between equity in education and a broad range of social indicators, it is imperative that the Commonwealth Government ensures that public schools are guaranteed funding at a minimum of 100% of the SRS.

The need for properly resourced schools

Decades of assessment data shows that resource levels are a major determinant in achievement. The most recent OECD analysis of student performance and resourcing from the Programme for International Student Assessment (PISA) data found that 15-year-old students performed better in science when they had access to 'high-quality educational resources (including science teachers, laboratories and extracurricular activities), on average, after accounting for the socio-economic profile of students and schools'.³ Data from the International Trends in Mathematics and Science Study (TIMSS) shows similar relationships, finding that 'Australian Year 8 students who attended schools where mathematics instruction was not affected by resource shortages achieved an average mathematics score that was significantly higher than that for students attending schools where instruction was affected'.⁴ The availability and quality of these resources are directly related to levels of funding. Similarly, the OECD has found that:

...About one-third of the variation in science performance across OECD countries is explained by the degree of equity in the allocation of education resources across advantaged and disadvantaged schools, with more equitable systems performing better, on average.⁵

The relationship between system quality and equity has also been found in other contexts (including other subject areas covered by PISA⁶ and relationships revealed through data collected for TIMSS over 20 years⁷); however, it is difficult to examine educational equity

² OECD (2019), *Education at a Glance 2019: OECD Indicators*, OECD Publishing, Paris. pp. 38-39.

³ OECD (2017). *PISA in Focus #76: How do schools compensate for socio-economic disadvantage?*, OECD Publishing, Paris. Retrieved from http://www.oecd-ilibrary.org/education/how-do-schools-compensate-for-socio-economic-disadvantage_a77ee9d5-en, p.3

⁴ Thomson, S., Wernert, N., O'Grady, E., Rodrigues, S. (2017). *TIMSS 2015. Reporting Australia's results*, ACER. Retrieved from http://research.acer.edu.au/timss_2015/2/, p.158

⁵ OECD, (2017). op cit

⁶ Sahlberg, P.(2012). Quality and Equity in Finnish Schools, *School Administrator*. Retrieved from https://pasisahlberg.com/wp-content/uploads/2013/01/Qualit_and_Equity_SA_2012.pdf

⁷ Mullis, I., Martin, M. & Loveless, T. (2016), 20 Years of TIMSS. International Trends in Mathematics and Science Achievement, Curriculum and Instruction, TIMSS & PIRLS International Study Center. Retrieved from

without also examining how resources are distributed between schools and systems with varying levels of need and varying capacities to effectively address their needs. This is precisely the failure of the Commonwealth Government's decision to limit the Commonwealth's share of funding to public schools to an arbitrary proportion of the SRS based on school sectors (80% for the Catholic and independent sectors and limited to 20% for the public sector). As noted by Dr Ken Boston (AO):

...the view that Public schools are a state matter, and that fee-paying, Government-funded non-Public schools are a Commonwealth matter, is outrageous: the Commonwealth of Australia has a role in relation to the education of all young people in Australia, and every state minister for education has responsibilities for the education of all young people in the state, regardless of the schooling sector they attend.⁸

In the same speech, Dr Boston also articulated the relationship between resources and outcomes, particularly for disadvantaged students. In doing so he also outlined some of the interventions required to achieve the best outcomes for those students including,

...smaller class sizes, specialist personnel to deliver the appropriate tiered interventions, speech therapists, counsellors, school/family liaison officers including interpreters, and a range of other support. And that support requires money. You cannot deliver education as a genuine public good, without strategically differentiated public funding directed at areas of need. That's what [the original 2011 report from] Gonski sought to achieve.⁹

Australia is now at the point where public funding of education has fallen significantly behind that of other OECD countries. In 2005, the OECD reported Australia's total public funding of education at 10.6% of total Government expenditure, and by 2015 this had fallen to 9.3% - far below the 2015 OECD average of 11.0%.¹⁰ By 2016 this figure had reduced even further, to 8.9% of total Government expenditure.¹¹ The vast bulk of the impact of this reduction of education expenditure as a percentage of total expenditure has fallen on the public education systems through the stagnation of funding to public schools.

The Schooling Resource Standard and Student Achievement

The current situation with regard to the funding of school education is untenable. For decades it has been widely recognised that Australia's school funding is inequitable. Funding arrangements have been characterised by ad hoc political accommodations and failed to take account of the actual needs of Australian schools, students and school communities. Recent years have seen the Commonwealth Government continually prioritise the appeasement of the independent and Catholic school lobbies over the maintenance of the provisions of the *Australian Education Act 2013*. The entirely unwarranted \$4.6 billion

<http://timssandpirls.bc.edu/timss2015/international-results/timss2015/wp-content/uploads/2016/T15-20-years-of-TIMSS.pdf>

⁸ Boston, K.(2017). 'Vision or hallucination? Some reflections on the Gonski Review', Address to the TJ Ryan Foundation Brisbane, 14 February 2017. Retrieved from <http://apo.org.au/system/files/73736/apo-nid73736-29261.pdf>

⁹ Ibid

¹⁰ Australian Education Union, media release, retrieved from <http://www.aeufederal.org.au/news-media/media-releases/2018/september/120918>

¹¹OECD, (2019). op cit

funding increase to private schools in 2018, the Commonwealth Governments' insistence on an arbitrary 20% of SRS cap on Government funding to public schools and the tens of billions of dollars that public schools will now not receive due to the implementation of the five year NRSA provide yet more evidence of the entrenched unequal distribution of resources in Australian schools.

This inequity in funding has been a major factor in the declining performance of Australian students in international testing, as seen in the recently released 2018 Program for International Student Assessment (PISA) results. It is also a major factor in achievement and educational attainment gaps between students from disadvantaged backgrounds and those from more advantaged backgrounds, which are greater than in comparable nations.

Decades of research, including the 2011 Gonski Review and the body of independent research commissioned by the review, has established beyond doubt that those most affected by these inequities are the most vulnerable and disadvantaged students and the schools, predominantly in the public sector, which serve them.

The 2018 PISA data provides further confirmation of the long-term trend whereby students from relatively advantaged backgrounds perform significantly better than those from disadvantaged backgrounds.¹² PISA 2018 shows that in Australia there is extensive evidence that equity is a significant factor in student performance, with students from high Socioeconomic Status (SES) backgrounds consistently performing better than students from low SES backgrounds across all domains. The proportion of high performers increased and the proportion of low performers decreased with each increase in SES quartile.

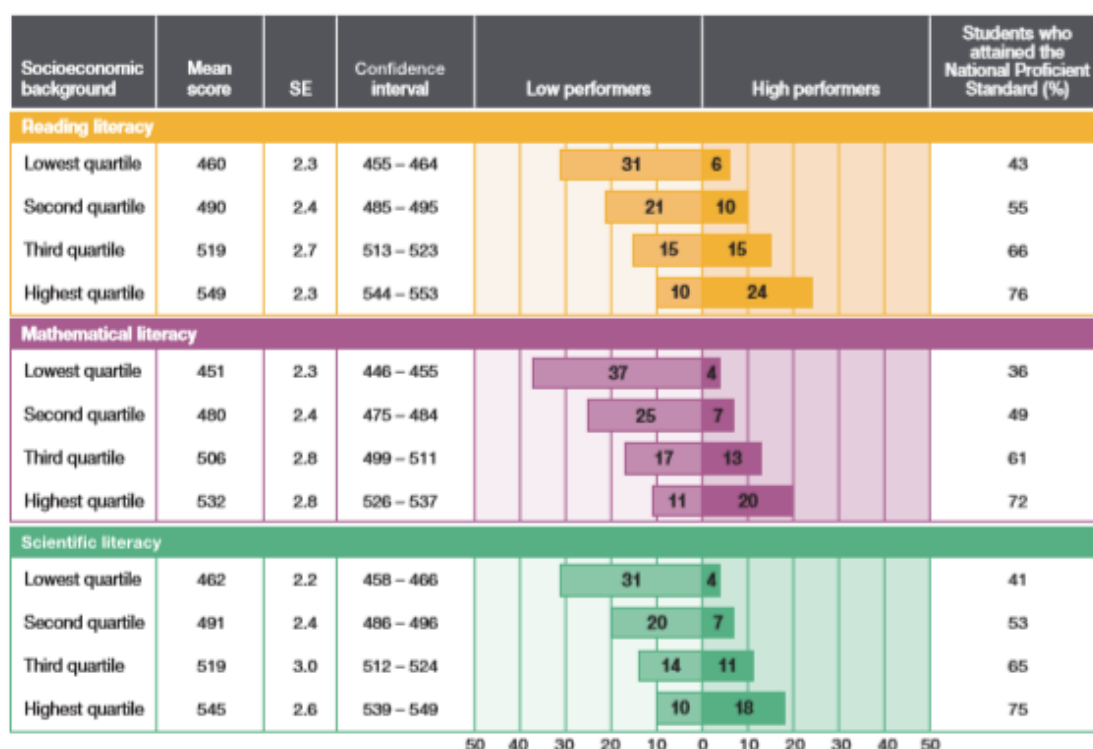
Across all three domains in PISA 2018, students from the highest SES quartile performed on average, about three years of schooling higher than students in the lowest quartile.

- **Science:** The variance between average scores of highest and lowest SES quartiles was 82 points, with 30 points equivalent to one year of schooling, so the difference is approximately two and three quarters years of schooling.
- **Reading:** The variance between average scores of highest and lowest SES quartiles was 89 points, with 30 points equivalent to one year of schooling, so the difference is three years of schooling.
- **Maths:** The variance between average scores of highest and lowest SES quartiles was 81 points, with 30 points equivalent to one year of schooling, so the difference is two and two thirds years of schooling.

31% of low SES students are classed as “low performers” in reading, 37% in maths and 31% in science. Only 6% of low SES students are “high performers” in reading, and only 4% in both maths and science.

¹² Thompson, S, De Bortoli L, Underwood C & Schmid, M. *PISA 2018, PISA in Brief: Student Performance*, Australian Council for Educational Research, 2019, p.18

Table 1 Australian PISA results 2018 by geographic Socio-economic background¹³



The understanding of this entrenched inequity in learning outcomes formed the basis of the major changes to Australia's funding arrangements proposed by the Gonski Review and the subsequent legislation, the *Australian Education Act 2013*. The aim of the Act and the resulting National Education Reform Agreements (NERAs) between states and the Commonwealth was very clear: to lift the achievement of all students through increased investment in schooling that targeted disadvantaged cohorts, thus reducing the impact of aggregated social disadvantage on learning outcomes.

By implementing and fully funding the Gonski funding arrangements over a six year transition period beginning in 2014 – a base per-student funding level with additional needs-based loadings targeted to disadvantage – the objective was to bring schools across the country up to an appropriate level of resources, the Schooling Resource Standard (SRS). This standard was recognised as the minimum requirement to give every child, regardless of background, the opportunity to achieve their potential.

The *Australian Education Act 2013* entailed significant growth in Commonwealth support to public education in order to meet student need and deliver the SRS. Recurrent funding to schools was to increase according to the dictates of a range of bi-lateral National Education Reform Agreements (NERAs) between the Commonwealth Government and states and territories, typically aimed at bringing schools to 95% of the SRS by 2019. Of those increases, a high proportion – \$12 billion of the original \$14.5 billion announced by the Gillard Government, or 83% – was to be directed to Public schools.¹⁴

¹³ Thompson, S, De Bortoli L, Underwood C & Schmid, M. *PISA 2018, PISA in Brief: Student Performance*, Australian Council for Educational Research, 2019, p.18

¹⁴ Retrieved from <http://www.abc.net.au/news/2013-04-14/gillard-announces-details-of-gonski-education-reforms/4627910>

The additional resources provided by original Gonski funding arrangements and distributed according to the NERAs between states/territories and the Commonwealth had a demonstrable impact on learning, and the AEU documented the positive impact of increased resources extensively in its two publications “Getting Results Volume 1 & 2”.¹⁵

The *Australian Education Amendment Act 2017*, the subsequent huge increase in funding to private schools and the deleterious impact of the Commonwealth Government’s arbitrary 20% cap on SRS contributions in public schools in the 2018 five year bi-lateral NSRAs has severely curtailed the progress that was made as a result of the original *2013 Act* toward equity and makes educational opportunity in Australia primarily a matter of privilege.

Based on the SRS contributions detailed in the NSRAs, the ACT is the only state or territory that will reach 100% of SRS for public schools by 2023. As the ACT accounts for 1.3% of public schools in Australia, this means that 98.7% of public schools will not reach 100% of SRS by 2023.

Table 2: Total Commonwealth & State/Territory funding as % of SRS

	2019	2020	2021	2022	2023
ACT	107.5	106.1	104.8	103.3	100.0
NSW	89.1	88.8	90.6	91.4	92.2
NT	79.1	79.7	80.3	80.4	79.0
SA	92.3	93.0	93.7	94.3	95.0
TAS	92.6	93.0	93.3	93.8	94.1
WA	96.8	94.7	93.6	94.0	95.0
QLD	87.8	88.2	88.5	88.9	89.3
VIC	85.8	86.7	87.9	89.1	90.4

Current funding to schools – unjust, inefficient and necessitating fiscal repair

The *Australian Education Amendment Act 2017* changed the objectives and implementation of the *Australian Education Act 2013*, particularly the application of a systemic model to achieving needs-based funding for all students regardless of socioeconomic advantage. In doing so, the changes introduced by the *2017 Act* to schools funding resulted in, simultaneously, the systematic underfunding of the Government school system through the arbitrary 20% cap on Commonwealth contributions to the SRS and the overfunding of the non-Government school system. These changes have been further embedded by the \$4.6 billion increase in funding to private schools announced by the Morrison Government in September 2018 and the bi-lateral NSRAs signed in 2018 and 2019.

The Government’s ‘80/20’ policy and the removal of the Commonwealth requirement to ensure 100% funding of SRS

While making very substantial changes to the funding targeted at student need, the *2017 Act* also curtailed the federal mechanism to redress inadequate funding of public schools – such as it was deployed through the *2013 Act* and the existing agreements.

¹⁵ Australian Education Union (AEU), “Getting Results – Gonski funding in Australian Schools”, Vol.1 (2016) & Vol. 2 (2017)

Under the previous NERA arrangements, the Commonwealth was required to increase public schools funding by at least 4.7% per year until they reach their full SRS. This transparent and purposeful approach to funding has been abolished and in its place is the current arbitrary 20% cap on Commonwealth government funding of public schools as mandated in the *Australian Education Amendment Act 2017* and reinforced in the 2018/19 bi-lateral agreements. There is no transparent or evidenced based rationale for this unequal funding arrangement. It creates, for all practical purposes, a legislative barrier to meeting the minimum funding target of 100% of the SRS for public schools. This is because increased federal funding of public education is the principal mechanism through which the historic and systemic underfunding of public schools by the states can be ameliorated. Federal funding was the mechanism used to comprehensively deliver the needs based reforms in the 2013 *Act*, and now the 20% cap mandated in the 2017 *Act* and the 2018 bi-lateral NSRAs has curtailed that capacity.

In contrast to this curtailment of public schools funding, the 80% Commonwealth government funding support for non-government schools, regardless of their state and territory funding, that is mandated in the 2017 *Act* ensures more than adequate funding of these institutions. From a fiscal point of view, the Commonwealth government's failure to meet its duty of care to children in public schools can only exacerbate inequity, with severe long term fiscal consequences.

Despite the high proportion of children from low-income households in the Government school system¹⁶, the above changes have had a significant and disproportionate negative impact on children in public schools, whilst at the same time increasing resource to private schools, whose students are typically at the upper end of household incomes. Hence, whilst the purpose of the 2013 *Act* was to increase funding to target the needs of children who experience disadvantage (typically those in public schools), 73% of the total reduction to schools funding by the Government in the 2017 *Act* were directed at precisely that cohort.¹⁷

Relative impact of these changes in dollars

The final arrangements under the *Australian Education Amendment Act 2017* entailed a reduction of \$17 billion from the previous funding arrangements. These cuts were largely directed at public school children, while the non-government schools' share of funding dramatically increased, and was then swiftly increased further as one of Prime Minister Morrison's first actions. Under the funding plans implemented by the Gillard Government, public schools were to receive over 80% of the funding increases. By contrast the Turnbull Government's 2017 *Act* saw public schools receive 49% of the increases, and the Morrison Government's \$4.6 billion commitment to the Catholic and independent sector in 2018 was made without providing any recompense at all for public schools.¹⁸

The effect of these funding changes is that a large number of private schools receive more government funding than similar public schools at both the school and per capita level. An ABC analysis of My School data showed that in 2016, 35% of Australia's private schools received more public funding than the average similar public school, a seven fold increase

¹⁶ Senate Committee: Education and Employment. Question on notice. Budget Estimates. Department of Education and Training, QON SQ17-000750

¹⁷ Australian Education Union, retrieved from

<http://www.aeufederal.org.au/application/files/1415/1780/3180/subPre-Budget122017.pdf>

¹⁸ <https://www.pm.gov.au/media/true-needs-based-funding-australia%E2%80%99s-schools>

from 5% in 2009, and that 85% of private schools received more public funding than *any* similar public school, an increase from 58% in 2009. The analysis showed that among private schools that receive more government funding than public schools, on a per capita basis, the median gap between the private and public grew by 76% between 2009 and 2016 – to \$970 per student.¹⁹

Government school funding as a percentage of SRS now and in 2023

Throughout November and December 2018, as mandated by the 2017 *Act*, all states and territories (except Victoria²⁰) signed five year bilateral funding agreements with the Commonwealth. Under these agreements the Commonwealth Government's imposed 20% contribution cap requires states and territories to revise their commitments to public school funding. Under these agreements by 2023 public schools in every jurisdiction except the ACT will still be funded at less than 100% of the SRS.

Estimated underfunding resulting from state/territory and Commonwealth Governments' contributions not meeting SRS

Detailed analysis²¹ of the combined annual cost of state/territory and Commonwealth Governments not meeting 100% of SRS shows that the cumulative loss over the ten years is estimated at \$41 billion to 2027. By the conclusion of the five year bilateral agreements the loss is estimated at \$22.7 billion.

¹⁹ <https://www.abc.net.au/news/2018-11-22/counting-the-cost-of-the-education-revolution/10495756>

²⁰ Victoria eventually signed two short term funding agreements covering the first 6 months of 2019 and signed a long term NSRA in June 2019

²¹ Full analysis available - <http://saveourschools.com.au/funding/public-schools-are-defrauded-by-billions-under-new-funding-agreements/>

Table 3: Total underfunding of public schools from not meeting 100% of SRS (\$m)

	2019	2020	2021	2022	2023	Underfunding to conclusion of bi-laterals
NSW ²²	1,458	1,426	1,351	1,272	1,194	6,702
VIC ²³	1,499	1,441	1,366	1,292	1,204	6,800
QLD	1,149	1,150	1,164	1,161	1,156	5,779
SA	230	217	201	189	171	1,008
WA	151	253	321	305	266	1,296
TAS	76	74	73	71	69	364
ACT	-45	-38	-31	-22	-	-137
NT	182	183	184	189	193	931
Total	4,719	4,724	4,647	4,473	4,270	22,743

Table 4: Per student underfunding of public schools from not meeting 100% of SRS (\$)

	2019	2020	2021	2022	Cumulative underfunding during current term (to July 2022)	2023	Cumulative underfunding to conclusion of bi-laterals
NSW	1,841	1,801	1,706	1,607	6,152	1,508	8,465
VIC	2,465	2,369	2,246	2,124	8,141	1,980	11,183
QLD	2,099	2,101	2,127	2,121	7,385	2,112	10,559
SA	1,290	1,217	1,127	1,060	4,166	959	5,652
WA	501	840	1,065	1,012	2,910	883	4,301
TAS	1,243	1,210	1,194	1,161	4,236	1,128	5,953
ACT	-1,074	-907	-740	-525	-2,984	0	-3,271
NT	5,964	5,997	6,030	6,194	21,072	6,325	30,510
Average per student ²⁴	1,843	1,845	1,815	1,747	6,351	1,668	8,883

Non-Government school funding in relation to the SRS

In stark contrast to the ongoing and increasing shortfall in public schools funding which will likely see nearly 99% of public school students not funded to the full SRS amount by 2023 and each public school student miss out on almost \$9,000 of funding by 2023, in six states and territories (ACT, NSW, Tasmania, WA, QLD and Victoria) combined Commonwealth

²² NSW state Government has an additional school equity program providing \$712 million over ten years, \$285 million over the term of the bilateral agreement. This is not taken into account in the amount shown above

²³ The recent VIC agreement increases projected 2023 total SRS from 89.2% to 90.4%. This reduces total underfunding to 2023 by \$91 million from the original calculations.

²⁴ Including ACT funding at or above SRS

(80% of SRS) and State/Territory (20%+ of SRS) funding arrangements mean that private schools will be funded at or above 100% of SRS by 2023. Private schools in these six jurisdictions account for 91.5% of all private schools and 92.1% of all private school students in Australia

The stealth funding cut of the 4% depreciation allowance

In addition to the top line reductions in SRS outlined above, the five year bi-lateral agreements include provision for states and territories to include “additional expenditure items” variously, items such as building depreciation and transport costs within their SRS calculations. These items have never been included in SRS calculations before and are not included in national SRS calculations. This narrows the gap between actual spending and the SRS goals by four percentage points and further reduces the actual effective SRS contribution made by each state or territory. It also undermines the entire concept of the SRS as a benchmark for equitable funding in schools. Trevor Cobbold, a former Productivity Commission economist states²⁵:

The inclusion of these additional expenditure items in the SRS as a measure of progress towards the 75% target undermines national consistency in the definition of net recurrent income and the SRS. It is contradictory to measure progress towards the SRS target by including items in the measure of state funding that are excluded from the national measure of the SRS. It undermines the SRS as an objective measure of the resources needed by schools.

This provision allows the states to artificially boost funding for public schools and at the expense of funding required to meet state/territory target shares of SRS.

Cobbold calculates that the cumulative loss over the next decade of this provision is estimated at \$19.1 billion. Over the length of the bilateral agreements it is \$9.1 billion.

In most states regulatory authorities are either funded from within the 4% additional allowance or specific named regulatory bodies are funded from SRS outside of the 4%, whereas the Victorian agreement seems to allow funding of all “curriculum and regulation activity” from the total SRS contribution in addition to the 4% allowance for depreciation and transport.

Funding of non-government schools

It is incumbent upon the Morrison Government to provide a rationale for its imbalanced approach to the funding of the non-government school sectors. In addition, steps must be taken to ensure the public interest and public expectations of fairness are reflected in this budget. This is also in keeping with the findings of the Australian National Audit Office (ANAO) on DET schools funding arrangements under the Turnbull Government:

*The arrangements established by the Department of Education and Training to monitor the impact of Australian Government school funding do not provide a sufficient level of assurance that funding has been used in accordance with the legislative framework, in particular the requirement for funding to be distributed on the basis of need.*²⁶

²⁵ Cobbold, Trevor (2018), retrieved from <http://www.saveourschools.com.au/funding/public-schools-are-swindled-by-billions-under-new-education-agreements>

²⁶ ANAO Report No.18 2017–18; Monitoring the Impact of Australian Government School Funding, p. 8

This finding is consistent with the observations on current funding policy made above, namely, that Morrison Government policy in federal education funding, like the Turnbull Governments' policy before it, is not consistent with the principle of need. The government's 20% cap on commonwealth funding of public schools will ensure that a tiny minority will reach 100% of SRS by 2023, whereas the inverse applies for private schools – the Commonwealth Government's promise to deliver 80% of SRS to private schools by 2023 will mean that the vast majority of private schools in Australia will exceed 100% of SRS in the next four years. This greatly increases the risk that funding will not be distributed in accordance with *Act's* requirement of distribution on the basis of need.

A further risk to the integrity of the objective of maintaining needs based funding is the deflation of funding against increasing student enrolments and specifically against rapidly increasing public school enrolments.

Data from the ACARA portal shows that the rate of funding increases from the Morrison Government for Catholic schools has exceeded those received by public schools despite booming enrolments in the public system and falling enrolments in the Catholic sector. In public schools enrolments have increased by 263,534 students in the decade to 2018, an increase of 10.3%.²⁷

Table 5: Number and proportion of all students enrolled in Australia by school sector

	Government		Catholic		Independent		Total	
	No.	%	No.	%	No.	%	No.	%
2009	2,294,638	65.8	704,837	20.2	485,329	13.9	3,484,804	100.0
2010	2,304,259	65.6	713,911	20.3	492,705	14.0	3,510,875	100.0
2011	2,315,253	65.4	724,594	20.5	501,962	14.2	3,541,809	100.0
2012	2,342,379	65.2	736,595	20.5	511,012	14.2	3,589,986	100.0
2013	2,375,024	65.1	749,059	20.5	521,436	14.3	3,645,519	100.0
2014	2,406,495	65.1	757,749	20.5	529,857	14.3	3,694,101	100.0
2015	2,445,130	65.2	765,539	20.4	540,304	14.4	3,750,973	100.0
2016	2,483,802	65.4	767,050	20.2	547,374	14.4	3,798,226	100.0
2017	2,524,865	65.6	766,870	19.9	557,490	14.5	3,849,225	100.0
2018	2,558,169	65.7	765,735	19.7	569,930	14.6	3,893,834	100.0

Since 2009 combined Commonwealth and State/Territory Government recurrent funding to Catholic schools has grown 80% faster than it has for public schools, and government funding to independent schools has grown 92% faster than it has for public schools.

Total nominal growth in combined Commonwealth and State/Territory Government recurrent funding from 2009-2017 has been 27.3% per public school student, 49.1% per Catholic schools student and 52.3% per independent school student.

²⁷ ACARA portal enrolments

Table 6: Number and proportion of all students enrolled in primary schools in Australia by school sector

	Government		Catholic		Independent		Total	
	No.	%	No.	%	No.	%	No.	%
2009	1,383,254	69.4	384,346	19.3	224,262	11.3	1,991,862	100.0
2010	1,392,938	69.1	390,831	19.4	231,248	11.5	2,015,017	100.0
2011	1,407,370	68.9	396,570	19.4	238,141	11.7	2,042,081	100.0
2012	1,435,587	68.9	403,055	19.3	244,477	11.7	2,083,119	100.0
2013	1,467,191	69.0	409,939	19.3	250,600	11.8	2,127,730	100.0
2014	1,498,295	69.1	414,275	19.1	255,961	11.8	2,168,531	100.0
2015	1,489,181	69.6	404,119	18.9	247,271	11.6	2,140,571	100.0
2016	1,523,982	69.9	404,979	18.6	250,728	11.5	2,179,689	100.0
2017	1,555,889	70.2	405,780	18.3	255,110	11.5	2,216,779	100.0
2018	1,580,323	70.3	405,462	18.0	262,090	11.7	2,247,875	100.0

To date the majority of the changing share of enrolments between Catholic and public schools has been in primary school enrolments. This change has been particularly prevalent in public primary schools, where over the last decade enrolments have increased by 197,036, a 14.2% increase. As a proportion of total enrolments, there has been continual growth for each of the last six years and public schools enrolments have increased every year, from 68.9% of all primary school enrolments in 2012 to 70.3% of all primary school enrolments in 2018.

By comparison, Catholic school enrolments have stagnated and then fallen in recent years. For most of the last decade Catholic schools accounted for 20.5% of all enrolments. Since 2015 there has been a swift decline of the proportion of total Catholic school enrolments from 20.5% to 19.7%. In terms of total number terms, Catholic school enrolments have declined by 2,135 students since 2016 and by 8,813 students from their 204 peak. As a proportion of all primary school enrolments, Catholic schools have declined from 19.4% in 2011 to 18.0% in 2018.

This is already starting to feed through to secondary schools, creating additional pressure on an already very under resourced public system.

The 2020-21 budget is an opportunity to ensure an appropriate response in the provision of additional resource managing the boom in public school enrolments, a response which has been absent to date.

Capital funding

Current inconsistencies in capital and recurrent funding in the independent and public systems result in further inequities in schools funding. The differing status of capital funding as a separate category in the non-government school system has resulted in specific funding advantages in favour of non-government schools. Federal funding calculations typically have not incorporated this systemic difference and as a result public schools are disadvantaged.

The effect of this anomaly has been significant in that it creates an historic trend toward capital funding being a burden that dilutes recurrent funding in the public school system.

The Commonwealth Government's [Capital Grants Program](#) for private schools will deliver \$1.9 billion in grants from 2018 to 2027, and in the last three years alone, more than \$453 million has already been allocated to 445 private schools from this at an average of over \$1 million per grant. Since 2017, there is no Commonwealth funding for capital improvements to public schools. Instead, there is a "Local School Community Fund" introduced in the 2019-20 budget for which every public, independent and Catholic school in Australia is invited to compete for one off grants of between one thousand and twenty thousand dollars. These are limited to a total of \$200,000 per electorate and for the current year only, with the funds allocated by a committee appointed by the local MP that must include representatives from the non-government school sector.

This is despite the more than one quarter of a million additional students that have enrolled in Australian public schools in the past five years, which accounts for over 76% of enrolment growth compared to minimal growth in independent schools and a decline in enrolments at Catholic schools.

Analysis of ACARA's finance data ²⁸ has revealed the stark and shocking disparity in the levels of capital expenditure in Australian schools – between 2013 and 2017 the four richest schools in the country spent more on facilities and renovations than the poorest 1,800 schools combined.

Furthermore, it appears that the very high levels of capital spend at several elite private schools are very similar to the levels of government funded recurrent income allocated to these schools, with school accounts showing millions of dollars reallocated from recurrent income to capital works.

For example, three schools – Knox Grammar, Wesley College and Caulfield Grammar, which charge fees of between \$22,000 and \$30,000 per student, had a combined income of over \$320 million in 2017, of which \$40 million came from Commonwealth and State Governments.

Finance data listed on the My School website²⁹ shows 'income allocated to current capital projects' for every school as a deduction from gross income. These three schools spent a combined total of \$73 million on capital works in 2017, with \$22 million of this spending being recurrent income that was re-allocated to capital projects.

This means that more than 30% of the amount of recurrent funding provided to these four schools by Commonwealth and State Governments in 2017 was re-allocated by those schools to fund capital projects.

Caulfield Grammar re-allocated nearly \$19 million from recurrent income to capital projects.³⁰ This amount is very close to the \$16.5 million the school received in recurrent Commonwealth and State Government funding.

From the above examples it appears highly likely that wealthy private schools are largely using income from fees for running costs, which allows them to divert recurrent income from Government meant for operating expenses to fund extravagant building projects. Nationally,

²⁸ <https://www.abc.net.au/news/2019-08-13/rich-school-poor-school-australias-great-education-divide/11383384>

²⁹ <https://www.myschool.edu.au/school/46139/finances>

³⁰ <https://www.myschool.edu.au/school/46139/finances>

over \$1 billion in recurrent income was allocated to capital works by Catholic and independent schools in 2017. The pattern of reallocation from recurrent income to capital expenditure strongly suggest that the richest private schools in the country are increasingly operating from fee income and using government funds to build ever more extravagant new facilities.

Currently, capital funding of non-government schools is substantial. The total additional capital funding available to private schools over the next decade tops \$1.9 billion. A total of \$165.9 million was spent in 2018, \$146.7 million was spent in 2019 and \$143 million has already been allocated for 2020.³¹

The AEU recommends a commensurate and separate capital funding stream in order to address the anomaly and to assist in ensuring the capital needs of the government school system are met. This position is consistent with the Gonski Review, which highlighted the critical importance of the Commonwealth government taking responsibility for capital funding in public schools independently of recurrent funding.

Students with Disability

Almost 70% of students with disabilities attend public schools³², which work extremely hard to ensure that issues such as access, specialist support, and health and wellbeing are appropriate so that they can learn in a safe environment, but the stark reality is that this requires a significant increase in investment, and while the number of students eligible for disability loading continues to grow, the total per student amounts of available funding are in decline.

A well-resourced public education system that values diversity, understands social and cognitive development, engages all learners through inclusive processes and is responsive to fundamental human needs, has the potential to develop actively engaged, resilient and connected individuals who lead lives as productive members of the wider community. The AEU affirms that Australia's public education system must value and provide a range of services, programs and educational settings to ensure the inclusion of all students.

The loading for students with a disability (SWD loading) was an unfinished part of the Gonski reforms from 2014 due to intransigence of the Abbott Government and the slow rollout of the Nationally Consistent Collection of Data (NCCD).

The publication of the NCCD has exposed the huge difference between the numbers of students that schools currently are funded to support and the number they actually have to provide assistance to. In the AEU's 2018 *State of our Schools* survey of thousands of principals and teachers across Australia, nearly four in five (81%) of public school principals said that they do not have sufficient resources to cater for students with disability and nearly nine in ten (88%) said that they divert funds from other areas to assist students with disability.³³

³¹

³² Education Council, *2016 Emergent data on students in Australian Schools receiving adjustments for disability*, retrieved from https://www.education.vic.gov.au/Documents/school/principals/health/ED17-0046%20SCH%20NCCD%20Report%202017_ACC%20%281%29.pdf

³³ The AEU (2018), *State of Our Schools Survey*, demonstrates most principals (88%) agree they have "students with disability at your school who you have to assist using funds from other areas of your budget because they are ineligible for targeted Government funding or the amount you receive is inadequate".

At the time that the NCCD adjustments levels were introduced former Education Minister Simon Birmingham said that the increase in the number of funded students through the SWD loading was projected to increase from around 212,000 to 470,000 in 2018.³⁴ According to the Education Council's Nationally Consistent Collection of Data on School Students with Disability, the total number is higher, at 724,624 students funded through SWD loading in 2018. However, the overall increase in the number of students masks a substantial reduction of both the overall level of funding available and the amount of loading each student is eligible for.

Instead of a flat rate for each student, there is now a level of funding (set out in the Australian Education Regulation) for each of the three highest levels of adjustment that students with disability are judged to be receiving in the NCCD: supplementary, substantial and extensive. In addition to this, the NCCD captures a fourth level of support, defined by the Government as "support provided within quality differentiated teaching practice", which the Commonwealth states "means a student requires monitoring and support from the teacher and school staff; for example personalised learning" before going to explain "but this can be done without the need for additional funding."³⁵

This begs the question of how increased monitoring and support and personalised learning, all of which require an intensive amount of teacher resource, can be dismissed as not needing to be funded in any way?

Table 7: 2019 students with disability loading by NCCD level of adjustment

	Base per student amount in 2019	Supplementary	Substantial	Extensive
Primary student	\$11,343	42%	146%	312%
		(\$4,764)	(\$16,561)	(\$35,390)
Secondary student	\$14,254	33%	116%	248%
		(\$4,704)	(\$16,535)	(\$35,350)

Note: The table shows the 2019 amounts under the full SRS and does not take into account a school's transition arrangements to consistent Commonwealth shares of the SRS.

The 3.56% annual indexation currently applied to these loadings does very little to address the overall cutting of funding to students with disabilities that the introduction of incremental "levels of adjustment" represents. The impact of the switch to incremental adjustment levels does not impact on children in all states equally, and the jurisdictions with the lowest overall attainment levels are the worst hit. Tasmania, has incurred funding cuts of 46% from \$18 million to \$9.7 million, and the Northern Territory, taken a 36% cut from \$26.7 million to \$17.2 million.³⁶

³⁴ Simon Birmingham, Minister of Education (June 21, 2017), Parliamentary Debates (Hansard). Commonwealth of Australia: House of Representatives. Col. 4596

³⁵ Department of Education and Training Fact Sheet, retrieved from <https://www.education.gov.au/what-Government-doing-support-students-disability>

³⁶ AEU, *Fair Funding Now! Delivering fair and equitable funding to public education* (2018), p.25.

To date the Commonwealth government has provided no clear evidence for how it set the funding levels for each of the three levels of adjustment. What is apparent is that funding levels have been set without any obvious relationship to student need, and hence without a coherent fiscal logic. This is a matter for the forthcoming budget to address, in a transparent manner, in consultation with appropriate schools and disability sector organisations.

Resourcing for students with disability is by its very nature intensive. This resourcing must continue to ensure adherence to philosophies of equity, social justice and inclusivity. Despite numerous official reports and State and Commonwealth Government reviews over the past two decades identifying serious deficiencies in the resourcing of the education of young Australians with disability, and recent changes to funding and loading arrangements, there has been little progress in this regard. While governments have talked about the problem and made changes to funding and associated loadings, many thousands of children with disability have started and finished primary school without seeing any improvement in the resources provided by governments to their schools.

All students deserve the best opportunity to reach their potential – the AEU believes that in order to provide this opportunity the Commonwealth government must a) reverse cuts to funding for students with disability and b) review funding loading for students with disability to determine the real costs of ensuring that all students with disability can access a high-quality education.

2015 vs. 2018 NCCD Data

The Australian Curriculum, Assessment and Reporting Authority (ACARA) has updated the National Report on Schooling in Australia Data Portal to include the NCCD 2018 Data.³⁷ This data was used for the first time in 2018 to calculate the Commonwealth funding entitlement (SWD loading) for schools educating students with disability. The data shows that from 2015 to 2018 the total percentage of students with disability attending public schools increased from 19.4% of all public school students to 19.7%.

As shown in figures 1 and 2 below, the largest increase was in the Quality Differentiated Teaching Practice category of support, which under the new loadings attracts no additional funding. From 2015 to 2018 the percentage of public school students receiving support within quality differentiated teaching practice has increased from 5.8% to 6.4%. The majority of this increase seems to have come from a reduction in the percentage of students receiving the lowest level of funded support, the supplementary support category, which has reduced from 8.3% of students to 8.0% since 2015. Students in public schools receiving substantial and extensive support is largely unchanged from 2015 to 2018.

³⁷ Retrieved from <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/national-report-on-schooling-inaustralia-data-portal/school-students-with-disability#note>

Figure 1

Distribution of students with disability by level of adjustment and category of disability, government schools (2015)

Level of adjustment	Cognitive	Physical	Sensory	Social-Emotional	All
Support within QDTP					5.8
Supplementary					8.3
Substantial					3.4
Extensive					1.9
All	10.9	3.3	0.8	4.5	19.4

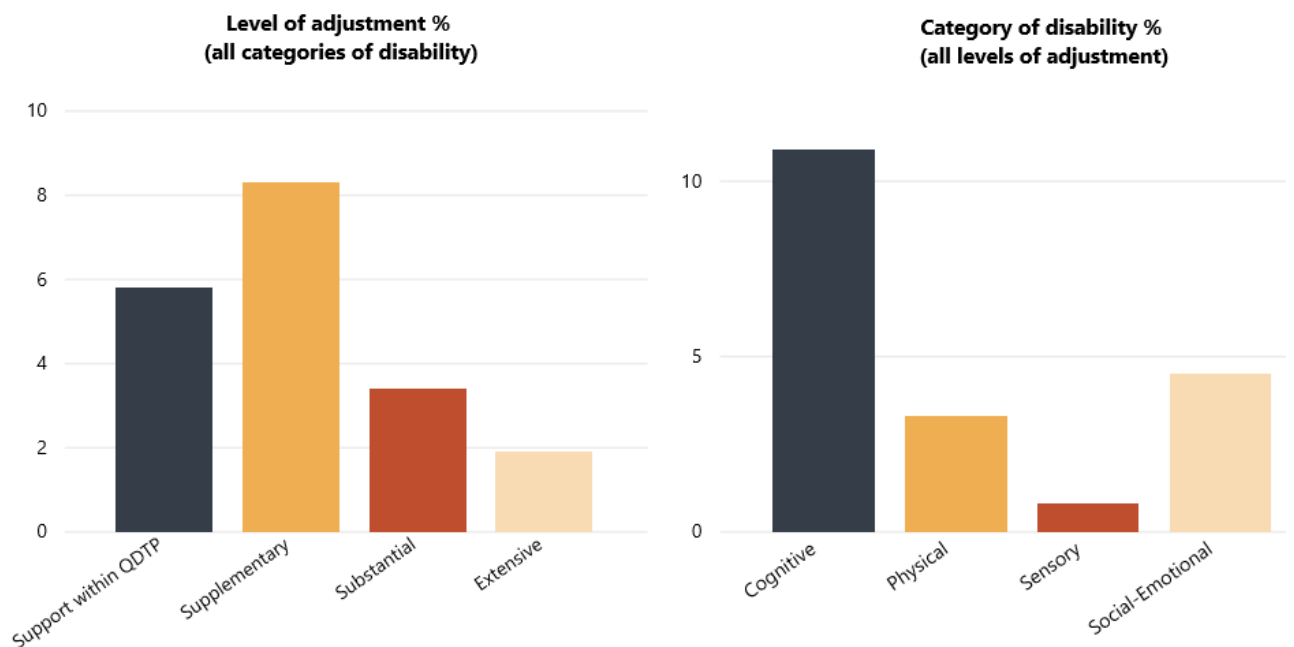
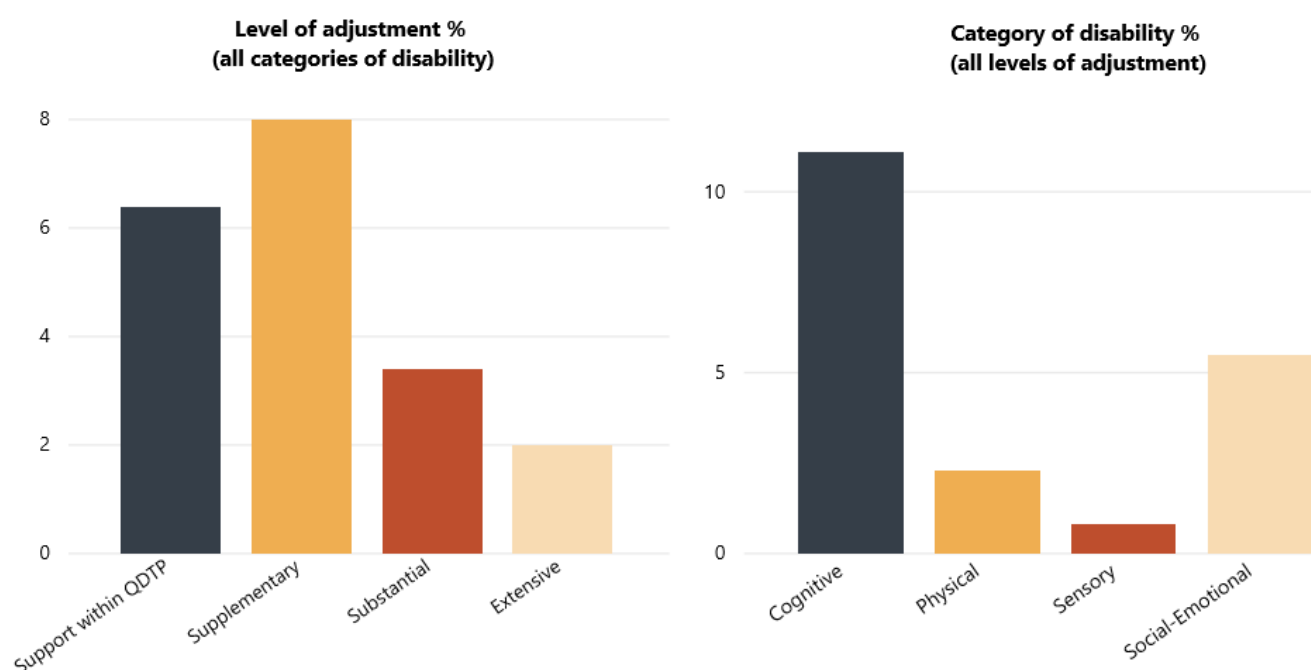


Figure 2

Distribution of students with disability by level of adjustment and category of disability, government schools (2018)

Level of adjustment	Cognitive	Physical	Sensory	Social-Emotional	All
Support within QDTP					6.4
Supplementary					8.0
Substantial					3.4
Extensive					2.0
All	11.1	2.3	0.8	5.5	19.7



Rural, regional and remote schools

Children living in regional, rural and remote communities are subject to significant resource gaps in comparison to their urban peers. The severity of this inequity in learning is discussed in some detail in the AEU's submission to the Commonwealth Government's 2017 Independent Review into Rural, Regional and Remote Education³⁸.

Given the over representation of rural and remote students in public schools, and how the socioeconomic profiles of these cohorts lean toward lower SES quartiles, the long term damage done by the recent bi-lateral NSRAs struck between the Commonwealth and

³⁸ AEU, (2017). Submission to the independent review into regional, rural and remote education. Retrieved from <http://www.aeufederal.org.au/application/files/9215/0630/3811/subRegionalRural092017.pdf>

State/Territory Governments mean that every state and territory (except the ACT) will fail to reach the full SRS by 2023 and this will have a disproportionate impact on students in rural, remote and regional locations. As a consequence, the agreements, particularly the 20% cap on Commonwealth SRS contributions, are likely to widen the gap between student learning and attainment in urban and non-urban areas with the long term damage extending well beyond the five year time period the agreements cover.

In order to meet its obligation to regional, rural and remote communities, the Commonwealth Government must take the opportunity presented in the current budget and the expected surplus to address the disadvantage faced by these communities and protect the children in these communities from the impacts of funding inequity. This can be achieved through budget measures that will remove the 20% cap on Commonwealth SRS contributions and deliver 100% funding of the SRS to rural, regional and remote schools.

Aboriginal and Torres Strait Islander students

Geographic location and socioeconomic stratification are also important factors when considering the Commonwealth Government's obligations to appropriately resource schools to meet the educational needs of Aboriginal and Torres Strait Islander students. The most recent Closing the Gap Report (CTG) shows that whilst there have been improvements across the three schools-based CTG targets (attendance, reading and numeracy, and year 12 attainment) over a decade, there remains an acute difference in educational outcomes between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander students.³⁹ Whilst it is positive that the target for year 12 attainment is on track to be met this year, the target to halve the gap in reading and numeracy for students in years 3, 5, 7 & 9 and the target to close the gap in school attendance by 2018 have not been met.⁴⁰ Furthermore, the data shows that the gap between Aboriginal and Torres Strait Islander students and non-Aboriginal and Torres Strait Islander students increases with remoteness.⁴¹

Resources are a crucial component of closing the gap in educational outcomes for Aboriginal and Torres Strait Islander students, particularly in regional, rural and remote communities.

³⁹ Commonwealth of Australia (2018) Department of the Prime Minister and Cabinet, Closing the Gap Prime Minister's Report 2018

⁴⁰ Ibid pp.51 – 64.

⁴¹ Ibid

As noted by Riddle and Fogarty:

“Closing the gap in education is intrinsically linked to multiple aspects of socioeconomic disadvantage, including access to quality health, employment, incarceration rates and housing. These combine to form the social determinants of educational success.”⁴²

In our Submission to the House of Representatives Standing Committee on Indigenous Affairs 2015 Inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students, the AEU asserted:

“Meeting the needs of Indigenous communities in education) is resource-intensive, and cannot be achieved in a political environment where actions by Federal, State and Territory Governments undermine and diminish their responsibility for the provision of long-term sustainable public services. Equity for disadvantaged students cannot be achieved unless a high priority is given to addressing the achievement gaps which confront Aboriginal and Torres Strait Islander children.”⁴³

This submission outlined a range of initiatives and programs that have demonstrated positive results for Aboriginal and Torres Strait Islander students. For example, Northern Territory schools funded under the National Partnership Agreement for low-SES schools saw funded primary schools make greater literacy and numeracy gains than unfunded schools.⁴⁴ The submission also contains accounts of schools which have successfully invested extra funding gained under previous NERA arrangements to make tangible improvements to outcomes for Aboriginal and Torres Strait Islander students.⁴⁵

It is evident that the changes made to state and territory SRS contributions and the imposition of the 20% Commonwealth Government contribution cap found in the 2018 and 2019 NSRAs will make it more difficult to capitalise on gains that have been made since the introduction of the Closing the Gap framework in 2008. This is particularly the case in the Northern Territory, which under the NSRA will have the lowest level of base SRS funding of any jurisdiction through to 2023. Despite having the highest levels of student disadvantage in the country, the proposed combined territory and commonwealth contributions to public schools, where 44% of all enrolments are Aboriginal and Torres Strait Islander students,⁴⁶ will peak at 79.0% of SRS in 2023.

⁴² Stewart Riddle and Bill Fogarty (2015). ‘Closing the Gap in education report card: needs improvement’, The Conversation, retrieved from <https://theconversation.com/closing-the-gap-in-education-report-card-needs-improvement-37455>

⁴³ Australian Education Union (2015), Submission to the House of Representatives Standing Committee on Indigenous Affairs Inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students, pp.4–5.

⁴⁴ Ibid, p.10

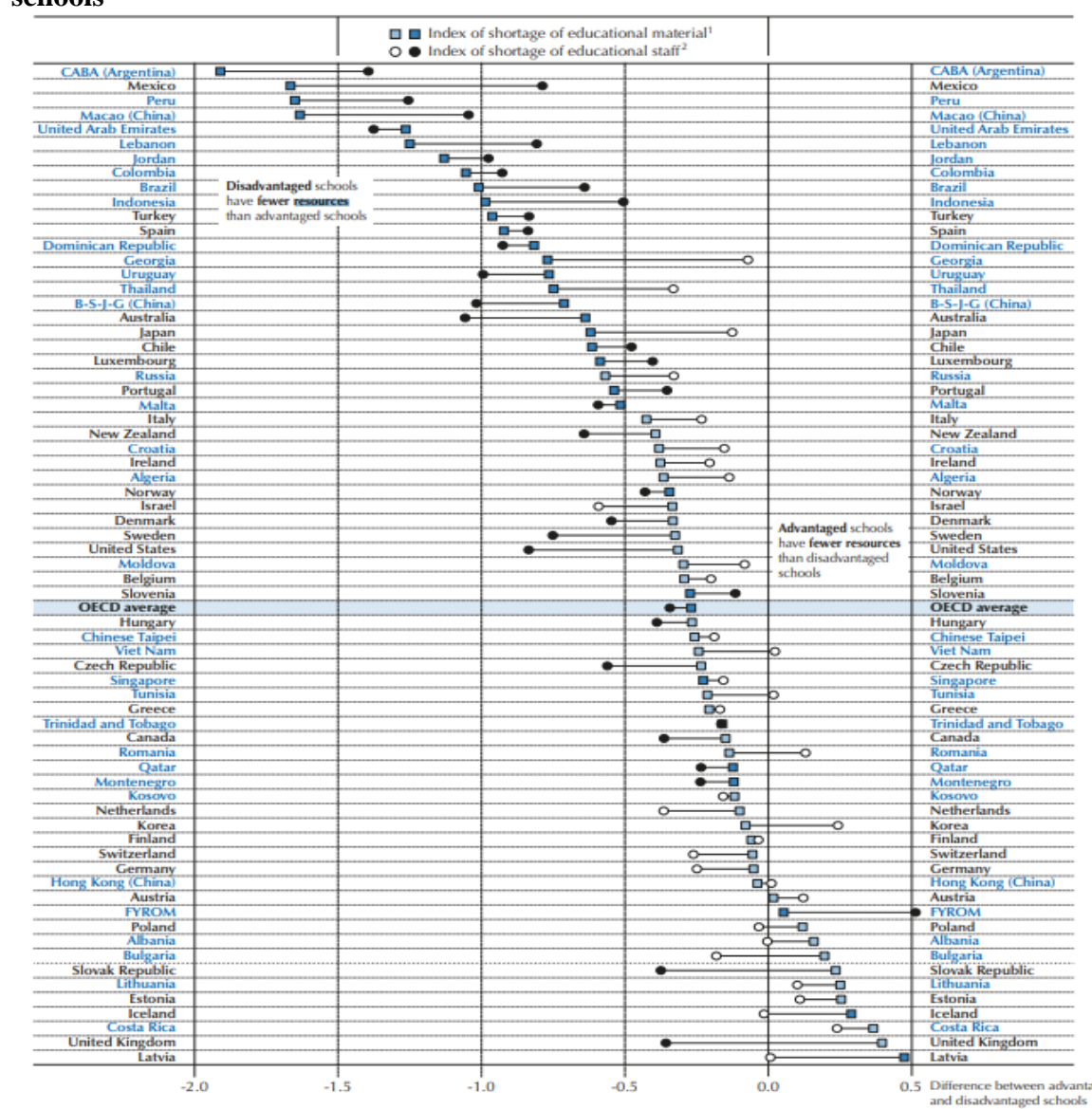
⁴⁵ Ibid, p.11

⁴⁶ Northern Territory Department of Education (2018) Annual Report, Northern Territory Government, pp. 72

The link between schools resourcing and performance

“Clearly, all countries have excellent students, but too few countries have enabled all of their students to excel and fulfill their potential to do so. Achieving greater equity in education is not only a social justice imperative, it is also a way to use resources more effectively, increase the supply of skills that fuel economic growth, and promote social cohesion.”⁴⁷ – Angel Gurría, OECD Secretary General

Figure 3: Differences in educational resources between advantaged and disadvantaged schools⁴⁸



As shown in figure 6, above, Australia has the fourth highest level of inequity in terms of educational resources allocated to advantaged and disadvantaged schools in the OECD – only Mexico, Turkey and Spain have higher levels of inequity in resourcing and provide disadvantaged schools less resource than advantaged schools.

⁴⁷ OECD (2019), PISA 2018 Results (Volume II): Where All Students Can Succeed, PISA, OECD Publishing, Paris, <https://doi.org/10.1787/b5fd1b8f-en> p.4.

⁴⁸ OECD (2016), PISA 2015 Results (Volume I): Excellence and Equity in Education, PISA, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264266490-en> , p.231.

These OECD findings are corroborated by a 2018 report by United Nations International Children's Emergency Fund (UNICEF) that shows that Australia has the second most unequal education system among the world's richest countries, and along with New Zealand and Slovakia is in the bottom third on every measure of equity analysed by UNICEF.⁴⁹ Of the 38 countries included in the report that received rankings for Preschool, Primary School and Secondary School, Australia performed dismally and ranked 36th, 25th and 30th for equality at each respective education level.⁵⁰

The direct and indirect costs to Government resulting from the abandonment of a coordinated national schools funding system

The original Gonski Review⁵¹ and the OECD⁵² point to a range of direct and indirect benefits accruing from an education system that is equitable and targets needs. By extension, a funding system that is inequitable will forfeit some of these benefits and in doing so accrue costs to the system.

Three significant recent changes to the way the Commonwealth Government funds schools have resulted in the accrual of significant system costs. They are:

- 1) The enforcement of an arbitrary system of funding arrangements that caps Commonwealth contributions to public schools at 20% and reduces the indexation rates for disadvantaged schools as seen in *Australian Education Amendment Act 2017*.
- 2) The additional \$4.6 billion announced for non-government schools in October 2018.
- 3) The meagre 5 year SRS targets and allowance of 4% of SRS for depreciation, transport and other costs as outlined for states and territories in the 2018/19 bi-lateral NSRAs.

These recent changes will result in many of the potential economic and societal dividends of a truly needs-based and sector-blind funding system being lost.

As Australia's continued decline in attainment across all three domains PISA 2018 results has demonstrated, the costs of the combined limitations compound over time in the form of more acute inequity in learning outcomes.

⁴⁹ UNICEF Office of Research (2018). 'An Unfair Start: Inequality in Children's Education in Rich Countries', Innocenti Report Card 15, p.10

⁵⁰ Ibid. p8.

⁵¹ Gonski, D, et al., *Review of Funding for Schooling: Final Report*, 2011, p.Xiii

⁵² OECD (2019), *Education at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, <https://doi.org/10.1787/f8d7880d-en>.

This has been referred to as “the price of failure”. In an effort to measure some of the direct costs resulting from poorer educational outcomes and demonstrate the point more generally, in 2016 Rorris conservatively⁵³ calculated the following fiscal outcomes in relation to increased unemployment and reduced tax revenues:

- The failure of the Australian Government to retain all students to the end of year 12 schooling will generate direct financial costs in excess of \$72 billion (2016 constant prices) by 2070. Specifically, the cost simulations show that by simply failing to keep students active and learning within the education system until year 12, the country will pay an additional aggregated amount of \$60 billion in unemployment benefits by 2070 (2016 constant prices).⁵⁴
- Lost aggregated income tax revenues in excess of \$12.2 billion by 2070 as a result of a greater number of people not being employed and therefore not paying income tax.

For the purposes of the Budget we note the correlation between lower educational attainment and increased incidence of crime is well established and any proper assessment of the value and impact of education, and hence the return on education funding, should include careful consideration of this data. Similarly, there is a strong correlation between public health outcomes and higher educational attainment.⁵⁵

Given the associations between educational inequity and such a broad range of social indicators, the AEU encourages the adoption of comprehensive measures of equity, particularly the attainment of the SRS and its associated loadings, in modelling returns and informing budget decisions in the context of education.

Budget as an opportunity to set down the path to 100% of SRS for public schools

The 2017 *Act* effectively blocked the passage to 100% of the SRS for all public schools, and the 2018/2019 bi-lateral NSRAs further ingrain the funding caps that ensure that public schools in no state or territory (except the ACT) will reach 100% of SRS by 2023.

This Budget is an opportunity to reinstate the previous appropriate funding levels based on need. As shown above, Australia has one of the most inequitable education systems in the world, a problem which if properly addressed and permanently rectified, would lead to significant and lasting reductions in unemployment and other benefits, better health outcomes and increased tax revenues.

The 2017 *Act* entrenched inequality, and the October 2018 additional funding announcement and the five year bi-lateral NSRAs signed in 2018 and 2019 have entrenched it further, with no recognition of the inherent costs or potential benefits of changing course. Therefore, it is absolutely essential that this Budget ameliorate the negative impacts of these recent major changes to school funding arrangements to provide fair and equitable funding to Australia’s public schools.

The Government’s approach to school funding is entirely arbitrary, favours the non-government sector and demonstrates an absence of a coherent rationale for education and education funding. The AEU calls on the Morrison Government to use this budget to fund

⁵³ Rorris 2016, p.34 notes the conservative nature of these estimates in the case of two fiscal outcomes resulting from lower education learning outcomes. The estimates do not provide any multiplier calculations of lost revenues from income and other tax revenues generated by having additional numbers of employed people.

⁵⁴ Rorris, *Op. Cit.*, p.34–37

⁵⁵ Rorris, *Op. Cit.*, p.39

schools to 100% of the SRS, including meeting the funding requirements of the associated loadings for students with complex needs. Ultimately, as not all states and territories have the same level of financial resource, it is the responsibility of the Commonwealth government to ensure that all students are provided with the opportunity to reach their full potential.

Early childhood education

High quality early childhood education (ECE) is a vital component of the public education system and an entitlement of all Australian children. It is integral to the educational, social, physical, and emotional development of children, consistent with the International Convention on the Rights of the Child, and associated resolutions and statements made by the UN Committee on the Rights of the Child and/or adopted by the UN General Assembly.⁵⁶

In addition to the significant long term individual benefits for children, investment in high quality ECE also has significant benefits for families, and for the social and economic fabric of our community. The importance of the link between access to high quality preschool and success in school education cannot be overstated.

The Australian Early Development Census (AEDC) reports that in the decade since the first Universal Access National Partnership (UANP) there has been a significant increase in early childhood education participation, which has directly benefited more than 2 million children and over a million families and contributed to reducing developmental vulnerability of children starting school⁵⁷. Despite this significant improvement, there is still much work to be done.

The 2019 *Report on Government Services* demonstrates that while the proportion of children attending care grew fractionally in 2018, the proportion of children attending preschool programs however fell in the period to 90.1% of all children from 92.4% in the previous year.

The OECD's *Education at a Glance 2019* report shows that from 2010-2017 Australia's enrolment rate, measured according to OECD standards, improved from 74% to 84% of 3-5 year olds, but still lags behind the OECD average of 87% which has improved from 82% since 2010.⁵⁸ Only 67% of three year olds are enrolled in ECE in Australia, far behind the OECD average of 79%. Only 86% of four year olds are enrolled in ECE in Australia, again lower than the OECD average of 88%.⁵⁹

This places Australia squarely in the bottom third of the OECD rankings for both 3 and 4 year old enrolment, behind the top half of OECD countries, all of which have enrolment rates above 90%.⁶⁰

The fall in enrolments in 2018 with a decline in total government spending on ECEC \$9.5 billion in 2017 to \$9.2 billion in 2018. The Australian Government contribution was \$7.7 billion in 2017 and fell to \$7.5 billion in 2018. The Universal Access National Partnership

⁵⁶ AEU Submission to the Productivity Commission Early Childhood Development Workforce Study, February 2011, p2

⁵⁷ AEDC cited in cited <https://www.cela.org.au/2019/09/17/national-partnership-at-risk/>

⁵⁸ OECD, *Education at a Glance*, 2019, Table B.2.1

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

(UANP) component of this was \$425.8 million in 2017/18, a real terms decline in spending from the \$418 million allocated to State and Territory Governments in 2016/17.⁶¹

The 2019-20 Federal Budget provided \$136 million in 2019-20 and \$318 million in 2020-21, a total of \$453 million for 15 hours per week for 4 year olds to the end of the 2020 school year, and offered no guarantee of ongoing commonwealth funding beyond the end of 2020. The announcement of this short term funding was deficient in numerous ways, the most immediately identifiable was that it provided no increase to the funding in the 2018/19 budget, and no plan for proper long term funding for four year old preschool.

The recent stalling of the gains made in the early years of the UANP, particularly in relation to the enrolment of Aboriginal and Torres Strait Islander children, show that permanent provision is absolutely necessary to maintain and improve enrolment and outcomes. The UANP targets of 95% preschool enrolment cannot be achieved without guaranteed sustained long term investment. So while there has been some improvement in enrolment rates in Australia over the last decade, the lack of investment in permanent ECE funding shows that we have been unable to improve 3-5 year enrolment at even the OECD average rate.

According to the AEDC, one in five Australian children start school behind their peers. This figure rises to one in three children in low socio-economic communities, and two in five Aboriginal and Torres Strait Islander children.⁶²

The AEU urges the Commonwealth Government in this Budget to make an unequivocal commitment to a universal, affordable and equitable ECE that is focussed on children's needs. In order to do this, the Australian ECE system needs to provide access to at least two years of preschool education for all Australian children, as is the international standard. We believe this is most effectively achieved through quality public provision as an integral part of the early childhood education offered by a high quality, properly resourced system of public education.

The independent review of early childhood education and services in Australia, *Lifting Our Game*⁶³, made seventeen focused and necessary recommendations on the need to embed publicly funded ECE within our education system. The AEU calls for 2020-21 Budget to reiterate the recommendations made in that report, with a particular emphasis on the following recommendations:

1. Guarantee permanent, adequate funding for Universal Access to 600 hours per year of a quality early childhood education program in the year before school.
2. Promote and support full participation by three- and four-year-olds in quality early childhood education programs, in particular to maximise participation by vulnerable or disadvantaged children.
3. Agree to a new national early childhood education and care workforce strategy to support the recruitment, retention, sustainability and enhanced professionalisation of the workforce, thereby improving service quality and children's outcomes.

⁶¹ Cited in - <https://thesector.com.au/2019/02/01/2019-ecec-rogs-report-highlights-funding-ratings-and-compliance-as-areas-of-focus/>

⁶² *Op. Cit.*

⁶³ Pascoe, P. & Brennan, D., *Lifting our game: report of the review to achieve educational excellence in Australian schools through early childhood interventions*, Victorian Government, 2017, pp. 12-14.

As Australia is significantly behind other OECD countries on the percentage of 3 year olds in early-childhood education and care (64% vs. 76%)⁶⁴, the OECD policy recommendation from PISA 2015 regarding the crucial importance of access to quality early education for all children in order to improve educational outcomes at both school and system level is a good starting point for consideration of Early Childhood Education (ECE) in the 2020-21 Budget.

There are also substantial lifelong social and economic benefits to improving Australia's ECE provision. Experts agree that the first few years in a child's life are the most important time for brain development and key to building good social and emotional skills, which will smooth a child's transition into school. Children who attend preschool can expect to achieve greater academic success, have better career prospects, better health and stronger family and personal relationships. For this reason it is essential that the UANP is able to deliver funding in the most equitable and efficient way possible.

ECE is an area where a small investment can have a huge long term impact. A recent report by Price Waterhouse Coopers has shown that for every dollar invested in early childhood education, Australia could receive two dollars back through higher tax revenues, higher wages and productivity and lower spending on welfare and criminal justice. The report concludes that a \$2.3 billion investment each year for Universal Access to early childhood education could generate \$4.8 billion in flow-on benefits to the economy.⁶⁵ The AEU therefore calls for the Commonwealth Government to recognise the immediate and long term benefits of providing guaranteed long term funding for four year preschool, and to commit to funded three year old preschool.

The recent 2019 OECD Education at a Glance report unequivocally states that "sustained public financial support is critical for the growth and quality of ECE programmes. Appropriate funding helps to recruit trained staff who are qualified to support children's cognitive, social and emotional development. Investment in early childhood facilities and materials also helps support the development of child-centred environments for well-being and learning."⁶⁶

The impact of the lack of guaranteed federal funding for ECE is evident when expenditure in Australia is compared to other OECD nations. Across the OECD, expenditure on all ECE settings accounts for an average of 0.8% of GDP. Australia lags far behind on this OECD average with 0.57% of GDP expended on ECE, and significantly behind the best performing countries for this indicator including Sweden, Iceland and Norway, which all spend at least 1% of GDP on ECE. In the absence of a fully-funded, stable publicly provided system of preschool education in Australia, we are one of only a few countries (including India, Indonesia, Ireland, Japan, Korea and New Zealand) where more than two thirds of children attend private ECE institutions.⁶⁷

The finding reinforces current evidence on the importance of quality early childhood programs for all children, and particularly for vulnerable and disadvantaged children, and the long term social and economic benefits for society of early investment in education. The

⁶⁴AEU, media release, retrieved from <http://www.aeufederal.org.au/news-media/media-releases/2018/september/120918>

⁶⁵ https://www.thefrontproject.org.au/images/downloads/ECO_ANALYSIS_Full_Report.pdf

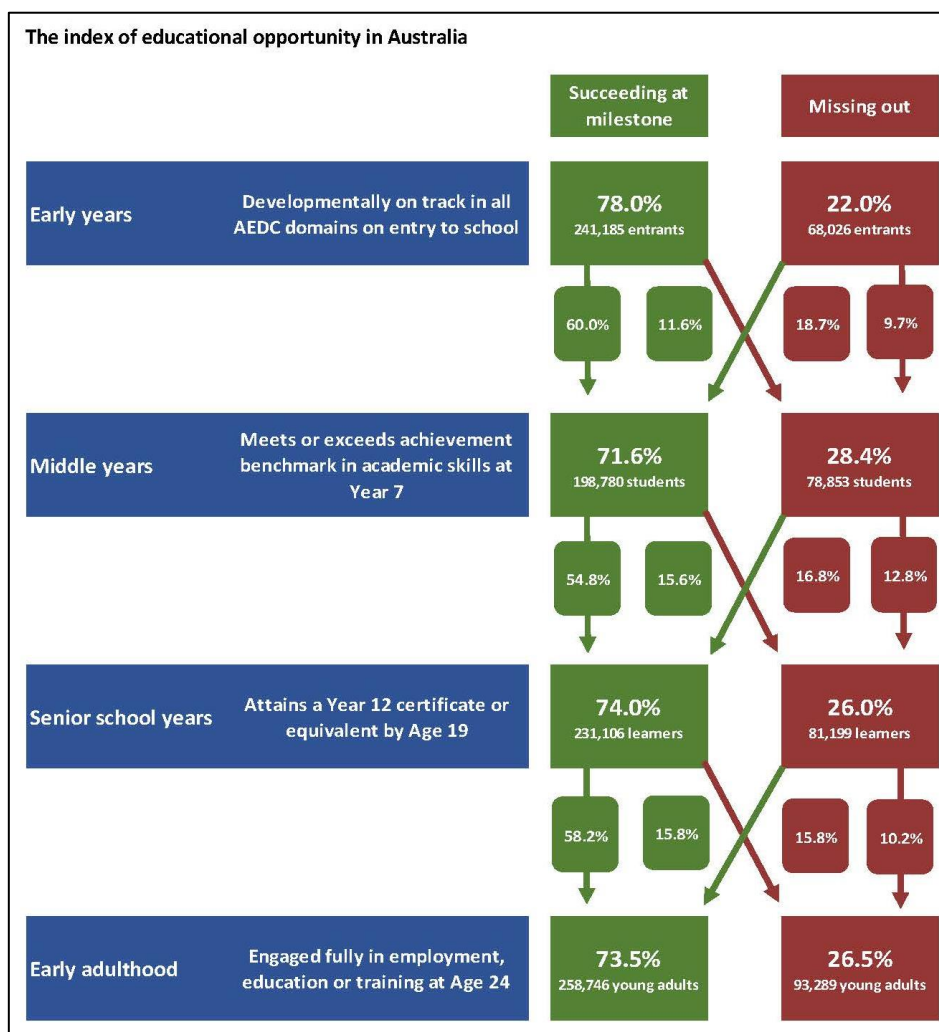
⁶⁶OECD, *Op. Cit.*, 2019, p.165

⁶⁷ OECD, *Op. Cit.*

OECD describes this in terms of an “accumulation of social disadvantage”⁶⁸, which begins in early childhood. The evidence in Australia regarding the relationship between opportunities in early childhood education, educational attainment and social inclusion in later life is unequivocal.

The figure below, “The Index of Educational Opportunity in Australia”, shows the proportions of young Australians “meeting or missing the educational milestones”.

Figure 4: Index of educational opportunity⁶⁹



Those missing out on ECE are grossly over represented among below average achievers in assessments throughout their school lives and go on to be over represented among those who are unemployed.

The OECD provides a detailed analyses of this phenomenon in its publication “*Educational Opportunity for all: Overcoming inequality throughout the life course*”, and highlights the

⁶⁸ OECD (2017), *Educational Opportunity for All: Overcoming Inequality throughout the Life Course*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264287457-en>, Chapter 2

⁶⁹ Lamb, S, Jackson, J, Walstab, A & Huo, S (2015), *Educational opportunity in Australia 2015: Who succeeds and who misses out*, Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute, Melbourne: Mitchell Institute. p.iv

“vicious circle” in educational opportunity and exclusion is followed by detailed analysis of the benefits of thoroughgoing investment in ECE⁷⁰.

For the purposes of informing decisions in this Budget, the AEU reiterates the point made above in the context of schools regarding the relationship between equity in education and social and fiscal benefit to society. The benefit accruing to society from social inclusion and equitable outcomes in education apply in the context of ECE just as it does elsewhere in the education system. Similarly, as Lamb et al point out, the role of socio-economic status in determining access to education, and hence outcomes, is equally significant in the context of ECE, where the process of residualisation, driven by marketization, is already present, and is likely to become more severe under the current fiscal approach to education:

Learners who miss out on learning and development in the early years are more likely to live in communities served by lower-quality ECEC services. The data generated through regulatory assessments of ECEC services demand a policy response, as market forces threaten to extend the social segregation evident in the school years into the early years of learning.⁷¹

Budget decision-making in ECE funding must be guided by the principles of equity and need. Due consideration of these principles of equity and efficiency further underline the economic irresponsibility of successive Commonwealth Governments since 2013 in failing to commit to permanent provision of the Commonwealth’s share of the funding required to ensure universal access of 15 hours a week (600 hours a year) of preschool for all 4 year olds. For the preschool sector, the uncertainty of the future of funding for universal access for four year olds is inexcusable.

The need for the Commonwealth to maintain and guarantee its funding share is highlighted by the data showing that despite the increase in preschool enrolments and evidence of the provision of higher quality ECE since the implementation of the UANP, there is still an unacceptable relationship between access and quality and SES in this country.

The AEU calls on the Morrison Government to show its commitment to closing the gaps which remain in access and equity to ECE, by announcing in the 2020-21 budget that it will, as a bare minimum, deliver its funding share of the commitment by all governments across Australia to universal access to preschool for all children in the year before schooling and improving the quality of early education services across the country on a permanent basis.

Further, in order to bring our national commitment to, and investment in, preschool education closer to peer countries in the OECD, the 2020-21 Budget would also be an appropriate place to introduce steps towards the goal of providing high quality, developmentally appropriate preschool education in the two years prior to school. Australia is one of only eleven OECD countries that don’t provide universally funded access to early childhood education for three year olds. Such a move would be very much in the national interest. All children benefit from high quality preschool education, but particularly those from disadvantaged and vulnerable backgrounds, from whom 15 hours a week in the year before schooling is simply not enough

⁷⁰ OECD (2017), Educational Opportunity for All: Overcoming Inequality throughout the Life Course, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264287457-en>, p. 53-68

⁷¹ Lamb, S, Jackson, J, Walstab, A & Huo, S (2015), Educational opportunity in Australia 2015: Who succeeds and who misses out, Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute, Melbourne: Mitchell Institute. P.91

to ensure they are on the path to long-term health and wellbeing, successful education and a positive future.

TAFE – a sector in crisis

The TAFE sector in Australia is in crisis, and unless governments act urgently, and decisively, its role in the Australian education system is under threat. The Mitchell Institute has recently reported that Australia’s total investment in the VET sector is now at its lowest level in real terms since at least 2008.⁷²

Successive Australian governments have failed to address systemic under-funding, and recent market “reforms” have further damaged TAFE, throwing its future into doubt. The Productivity Commission has said that the VET sector was a mess, echoing the concerns of all major stakeholders and⁷³ the Business Council of Australia warns that the residualisation of TAFE will ‘fail to deliver a good long term outcome’. They argue that governments need to define the role of the public provider in order to ‘maintain a sustainable TAFE network across the country’.⁷⁴

In 2018, states, territories and the Commonwealth spent a combined total of \$6.1 billion on vocational education, decrease of \$135 million (2.1%) when compared to 2017. The Commonwealth Government’s contribution fell by \$326 million (10.6%) in that single year.⁷⁵ TAFE has borne the brunt of this decline in spending as an ever increasing portion of government funding is directed towards training and often non-accredited courses offered by private Registered Training Organisations (RTOs).⁷⁶

In addition to the wholesale shift of public funds from the TAFE sector to many small private for profit providers, the established TAFE and vocational education sector bears the burden of being the lowest funded of all the education sectors in Australia. Funding was cut by more than 15% in the decade from 2007 to 2016 and government expenditure declined by 31.5% over that time.⁷⁷ This was swiftly followed by another cut of \$177 million in the 2017 federal budget and the further net cut to federal funding of \$135 million in 2018. The damage inflicted on the sector, particularly as a result of chronic underfunding and attempts at privatisation have eroded the viability of colleges and undermined confidence in the system. As a result of this continual assault, TAFE enrolments have declined steadily in recent years, from nearly 800,000 in 2015 to 680,000 in 2017.⁷⁸

The 2018 figures are consistent with the trajectory that the sector has been on for more than ten years. From 2005 to 2016, government real recurrent VET expenditure increased 4.1%,

⁷² <http://www.mitchellinstitute.org.au/wp-content/uploads/2019/12/Australian-Investment-in-Education-VET.pdf>

⁷³ Productivity Commission 2017, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, Canberra p86

⁷⁴ Business Council of Australia 2017, *Future-proof: protecting Australians through education and skills*, Melbourne, Business Council of Australia, p. 77.

⁷⁵ <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/Government-funding-of-vet-2018>

⁷⁶ National Centre for Vocational Education Research (2018), *Total VET Students and Courses 2017: data slicer*, retrieved from <https://www.ncver.edu.au/research-and-statistics/data/all-data/total-vet-students-and-courses-2017-data-slicer>

⁷⁷ Australian Education Union, (2018), *Stop TAFE Cuts Manifesto*, p1.

⁷⁸ National Centre for Vocational Education Research (2018), *Government Funding of VET 2017: data tables*, retrieved from <https://www.ncver.edu.au/research-and-statistics/data/all-data/Government-funding-of-vet-2017-data-tables>

while the number of government funded annual hours has increased 52%. As a result, government real recurrent expenditure per annual hour has declined 31% over the past 10 years — from \$16.64 in 2005 to \$11.40 in 2014 — at an average annual rate of decline of 4%.⁷⁹

The number of government funded vocational education students has fallen by almost 17% since 2012 across all jurisdictions, but in TAFE, student numbers have fallen by 25%, as all states and territories endure cuts to campuses, courses and staff.⁸⁰ Most recently, in 2018 the total number of students enrolled in nationally-recognised programs (most frequently delivered by TAFE) decreased by 5.9% to two million people in 2018, compared with 2017, and decreased by 16.2% from 2015 to 2018. At the same time, students enrolled in subjects not delivered as part of a nationally-recognised program (usually delivered by private providers) increased by 4.9% to 2.5 million people in 2018, compared with 2017. Overall VET student numbers have also decreased by 1.5% to 4.1 million people in 2018, compared with 2017.

TAFE offers the highest quality of vocational education across all levels of qualification, with nationally accredited programs and a highly qualified and experienced workforce of professional teachers. However, privatisation policies resulting in campus closures have caused incalculable damage to TAFE and led to significant job losses across the sector. The AEU has compiled data showing that more than 15,000 TAFE teaching jobs have been lost in recent years, with more than a third of the workforce losing their jobs in NSW and Victoria, and one quarter in Queensland.

Table 8: Job losses in the TAFE sector by state

State	TAFE job losses	% of workforce
NSW ⁸¹	5,163	35
Victoria ⁸²	8,048	44
Queensland ⁸³	1,649	25
South Australia ⁸⁴	571	17

Despite the clear and undisputed societal and economic benefits that a robustly funded and administered TAFE and vocational education sector provides, there has been a concerted and continual drive from successive commonwealth governments over the last decade to marketise vocational education and deprioritise TAFE, which has resulted in a collapse of publicly funded TAFE, the shift of public money to for-profit private providers, and

⁷⁹ SCRGSP (Steering Committee for the Review of Government Service Provision) 2016, *Report on Government Services 2016*, Productivity Commission, Canberra

⁸⁰ NCVER 2017, *Students and Courses 2016*, NCVER Adelaide Table 2

⁸¹ TAFE NSW Annual Report 2015 – 2016

https://www.tafensw.edu.au/_data/assets/pdf_file/0004/25069/TAFE-NSW-2015-16-Annual-Report.pdf

⁸² Victorian Public Service Commission, *State of the Public Sector in Victoria*

<https://vpssc.vic.gov.au/resources/state-of-the-public-sector-in-victoria/>

⁸³ Queensland Government, *Queensland public service workforce statistics*

<https://www.forgov.qld.gov.au/queensland-public-service-workforce-statistics>

⁸⁴ Government of South Australia, Office for the Public Sector, *Workforce Information*

<https://publicsector.sa.gov.au/about/office-for-the-public-sector/workforce-information/>

disinvestment by governments in vocational education.⁸⁵ This deliberate recalibration has resulted in the extremely rapid proliferation of opportunistic private training providers and the unrestrained growth in the for profit sector, primarily at the expense of Australia's previously world leading publicly funded and delivered TAFE and vocational education system.

Wheelahan (2016) outlines the seismic changes that have occurred in the way that vocational education is resourced and delivered in Australia since 2009. There are now over 4,600 active registered training providers, but only 96 of these providers have more than 100 full time students. It is plainly evident that quality cannot possibly be maintained at a system level when that system is populated by thousands of tiny individual private providers, some of whom have participated in recruitment and enrolment practices that can best be described as skirting the edge of legality.⁸⁶

Vocational education, and in particular TAFE, remain the worst funded education sector in the country. Government expenditure on TAFE has declined by 31.5% over the past 10 years, and \$3 billion has been cut from TAFE since 2013.

The almost complete surrender of the provision of vocational education to the market has resulted in a massive decline of TAFE as the pre-eminent provider of vocational education in Australia. In 2009, TAFE institutions taught 81% of all publicly funded full time equivalent students in Australia. Five years later, in 2014, this figure had reduced to 56%. Over the same five year period private, for-profit providers increased their share of publicly funded full time equivalent students from just under 15% to 40%, and increased their total student numbers by almost 286%.⁸⁷ Similarly, the most recent National Centre for Vocational Education Research (NCVER) shows that private providers continue to dominate - of the total 3.8 million students included in the NCVER's 2017 dataset, over 2.5 million (66.6%) were enrolled with private providers. By contrast, students enrolled at TAFE accounted for only 17.8% of all vocational education students in Australia.⁸⁸

The damage inflicted on the sector over the last decade as a result of the chronic underfunding of publicly delivered TAFE and vocational education, and continued attempts to shift the sector irretrievably towards privatisation have severely eroded the viability of many public TAFE institutions and undermined public confidence in the system. The AEU's long held position is that no public funding should be directed towards private, for-profit providers of vocational education. The public funding of TAFE must be urgently restored. As a first step towards rebuilding the TAFE system, the AEU is pursuing a guarantee from government that 70% of all government spending on vocational education will be delivered directly to TAFEs.

This current crisis of vocational education in Australia is a direct result of the deliberate push over many years towards the complete marketisation of the sector. There was not a single mention of public TAFE in the 2019-20 Federal Budget and the fanfare around the

⁸⁵ Wheelahan, L., (2018) *New figures quantify the extent of the TAFE disaster*, retrieved from http://stoptafecuts.com.au/blog/new-figures-quantify-extent-tafe-disaster?ccm_paging_p=3

⁸⁶ Bachelard, M., Cook, H., & Knott, M., (2015) *Vocational Education, the biggest get-rich quick scheme in Australia*, *Sydney Morning Herald* retrieved from <https://www.smh.com.au/national/vocational-education-the-biggest-getrich-quick-scheme-in-australia-20150916-gjqgwe.html>

⁸⁷ Wheelahan, L. (2016). *Patching bits won't fix vocational education in Australia - a new model is needed*, *International Journal of Training Research*, p.10.

⁸⁸ National Centre for Vocational Education Research (2018), *Total VET Students and Courses 2017: data slicer*, retrieved from <https://www.ncver.edu.au/research-and-statistics/data/all-data/total-vet-students-and-courses-2017-data-slicer>

announcement of the “*Delivering Skills for today and tomorrow*” package based on the recommendations of the Joyce Review was nothing but an attempt to obscure the fact that the package consisted almost entirely of repurposed funds from the already extant *Skilling Australians Fund*. These funds were unspent due to Victoria and Queensland not signing up, leaving the states that did sign up out of pocket a combined \$83 million, and came nowhere near replacing the \$3 billion cut from VET since 2013.

The 2020-21 Federal Budget represents an opportunity for the Commonwealth Government to establish the basis of a new national strategy in the sector, with the highly regarded TAFE system as the centre of the strategy. The AEU proposes that this Budget provide significant re-investment in TAFE and scrap endless industry and employer focused committees, concocted expert panels and dubious celebrity ambassador appointments that have emerged as the Federal Government’s response to the Joyce report.

Australia’s publicly owned TAFE system represents a trusted and highly regarded network which has served the Australian community and economy for many decades. Governments invest in TAFE because it represents an investment in the system as a whole, and each dollar allocated by the government to TAFE is invested in students, and in the development of resources and infrastructure for vocational education.

A renewed approach to TAFE needs to address the following issues:

- the overall decline in funding to vocational education and TAFE over the last five years making the sector the worst funded of all education sectors.
- the rapid and uncontrolled opening of access to government funding by for-profit private providers – which saw public funds formerly used in the TAFE system diverted to profits.
- the shift in funding and organisation of the sector from government resourced to User Pays through the mechanism of the failed student loans scheme – originally VET FEE-HELP and now its replacement – VET Student Loans.
- the manifest failure of the regulatory system, evidenced by the daily reports of roting and profiteering, and the issue of what constitutes quality, and how it should be assured.

In order to rectify this monumental failure in public policy, the AEU proposes a return of government funding to pre-market reform levels, starting with the immediate quarantine of a minimum of 70% of Commonwealth Vocational Educational and Training funding to TAFE institutions to commence the process of rebuilding the system.

Recommendations for the 2020-21 budget

The AEU expects the priority for the Commonwealth Government should be to ensure that students of all ages have access to the highest quality, most well-resourced and most equitable education system possible. With this in mind, and with reference to the evidence presented above on the deep inequity currently present in Australia's education system and the personal, economic and societal benefits of properly funded public education, we make the following recommendations.

Schools funding and Schooling Resource Standard

The AEU calls on the Commonwealth Government in the 2020-21 budget to:

- restore true needs based funding to Australia's schools.
- ensure that public schools are guaranteed funding at a minimum of 100% of the SRS, including and most importantly, meeting the funding requirements of the associated loadings for students with complex needs.
- remove from the Australian Education Amendment Act and the NSRAs the 20% cap on the Commonwealth Government share of the SRS for public schools.
- reinstate the requirement, as existed under the previous NERA arrangements, that the Commonwealth Government will increase funding for underfunded public schools by at least 4.7% per year until they reach their full SRS.
- fund a long term capital works program of at least \$300 million per year for public schools equivalent to the Non-Government Schools Capital Grants Program.
- Restore the disability funding cut in the 2017 budget to five states and territories and reassess the lack of loading provided to students whose disability is currently assessed as needing "Quality Differentiated Teaching Practice".

Early Childhood Education and Care

The AEU calls on the Commonwealth Government in the 2020-21 budget to:

- commit to permanent provision of the Commonwealth's share of the funding required to ensure ongoing universal access of 15 hours of preschool for all 4 year olds as an absolute bare minimum.
- provide funds to states and territories to extend the provision of universal access to preschool for all 3-year old children, as is the case for most peer OECD countries that already provide two years of preschool.

TAFE

The AEU calls on the Commonwealth Government in the 2020-21 budget to:

- guarantee that 70% of all Commonwealth spending on vocational education will be delivered directly to TAFEs.
- significantly re-invest in TAFE and scrap the focus on private providers and market based solutions as espoused by the Joyce Review and the 2019-20 Budget.