

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF  
GOVERNMENT SCHOOLS  
PRESS RELEASE 893**

**THE ECONOMIC ARGUMENT FOR STATE AID TO  
PRIVATE SCHOOLS HAS TURNED UPSIDE DOWN**

The financial data analysis laboriously done by the Save Our Schools group, and taken up by the Gonski Institute at the University of New South Wales has finally rattled the Catholic sector. Sydney's Archbishop Fisher has come out with a startling admission. The religious hierarchy still own and control the Catholic school system and what they say is very revealing. Fisher, as well as trying to beat the anti-Catholic drum, has admitted that the Catholic school system has:

*'Never had it so good' in terms of funding, and should 'focus on using the resources well.'*

*'I don't think we should keep carping about resources. I think we've actually got it as good as we will get it, probably for a long time,'* he said.

He also indicated concern that the State schools were getting better results than the Catholic system while the 'DNA' of the Catholic system had been severely eroded.

All very interesting! And revealing!

Fisher avoided the question of why citizen/taxpayers might be concerned about the abuse of children by Catholic religious and teachers through their schools or the Reports of numerous Auditors General about their use of public money. As usual he just draws the anti-catholic slogan out of his mitre.

**DOGS suggest that he is wise to advise against carping on about resources because a vital tipping point has been reached.** It is no longer economically efficient or effective to channel the \$4.6 billion plus per annum pledged to Catholic and private schools by Scott Morrison as one of his first acts as prime minister. And it represents a wastage of public money when it can be proved that the public system does a better job for less! The old economic argument that taxpayers had to prop up the private system or the public system would collapse, is wearing very very thin.

This has been articulated very clearly in a recent publication by the Gonski Institute at the University of New South Wales, entitled ***Structural Failure: Why Australia keeps falling short of our Educational Goals***. In this publication the authors, led by Chris Bonner, have contrasted the reality with the rhetoric of various Education Declaration made by Australian politicians since 1989, and in particular the 1919 Alice Springs (Mparntwe) Education Declaration .

But for the purposes of this News Release, the booklet pulls together a lot of the extensive data collecting done over the past decade by Chris Bonner, and Bernie Shepherd, ex public school principals; and Trevor Cobbold from the Save our Schools group. Their financial analysis has been made possible by the MYSCHOOL website set up by Julia Gillard and we quote extensively from Section VI from this Gonski Institute publication below:

## **Section VI Be Well Supported**

**“...ensure that young Australians of all backgrounds are supported to achieve their full education potential...”**

### **-Alice Springs (Mparntwe) Education Declaration**

“In raw dollar terms, most Australian schools seem to be well supported by a mix of public and private funding, but the make-up and distribution of this funding is problematic. ....Since 2011, the percentage increase in government per-student recurrent funding of Australia’s low ICSEA (under 1000) schools has been more than the increase to high ICSEA (over 1000) schools. However, funding aggregated from all sources shows less advantaged schools are no further ahead. Irrationally, My School data also shows that Australia’s very remote schools, on average, received the same percentage funding increases as major city schools – despite metropolitan areas having clear socio-educational advantage. The public funding of schools by sector also seems to disregard the need criteria, with government schools (average ICSEA 981) receiving much lower per-student funding increases than going to the two non-government sectors (average ICSEA 1051).

The Gonski recommendations included a “sector-blind” approach, with “needs-based funding” providing a rationale and model for equitable resourcing. The 2021 Productivity Commission data make it clear that “government funding for non-government schools continues to grow at a faster rate than for public schools”.<sup>59</sup> More positively, there is tacit acknowledge-

ment of past failure in regard to true, sector-blind, needs based funding; recent Commonwealth government language has changed and now advocates “students with the same need in the same sector will attract the same level of support”.<sup>60</sup> Such distortion between the sectors is likely to continue into the future unless structural policy change occurs.

**A recent study - [Bonnor, C. & Wilson, R. \(2020\). \*The school money-go-round - balancing the claims about school funding\*](#) - revealed that combined state and federal recurrent funding of non-government schools is close to, and in many cases exceeds, combined government funding of government schools. In effect, the taxpayer saves little by funding competing systems. In 2020 Bonner and Wilson argued that:**

*In financial terms, most of the non-government schools have become ‘public’ - in many cases receiving even more public funding than do the similar government schools. (This) begs two, amongst many questions:*

*first, if non-government schools are funded at such high levels to what extent does public funding of non-government schools represent any saving to the public purse?*

*Second, if most Australian schools are publicly-funded, shouldn’t they all have the same obligations do they have to the public that funds them?*

But part of the obfuscation problem is that state governments do save by funding non-government schools ahead of their own schools, while the federal government incurs large costs. The lack of any logic in such arrangements is just part of the problem.

Under current arrangements, the states are required to lift the funding of their public schools to the agreed 80% of the Schools Resourcing Standard (SRS), with the Federal government providing the other 20%. Yet, perversely, the states are financially better off if they fund every new student to attend a non-government school. This has significant implications for the efficacy of the current arrangements that are supposed to have schools in each sector funded to their SRS entitlement.

As another analysis - [Cobbold, T. \(2019\). \*Public schools are defrauded by billions under new funding arrangements\*](#). - revealed, public schools across Australia

won't get there. Our support for young Australians also falls well short on other criteria, including the effectiveness and efficiency of this support.

On the effectiveness side, a common refrain is that "Australia's results on international tests have been declining over the past 10 years ... despite continually increased school funding". At first glance this is readily apparent, although closer scrutiny suggests it is more complex than some assert.<sup>64</sup>

The widespread provision and duplication of publicly funded schools has no doubt increased choice, but at the cost of funding efficiency. Examples abound, and it is most obvious in smaller communities with co-located and competing, but small, government and Catholic schools. Per-student funding in these places is usually very high. Combining such schools would still leave the towns with a relatively small school, but with improved economies of scale. A worked example illustrates how funding such competing schools can come at a price to both families and taxpayers. In 2018 (the most recently published My School financial data), the 68 students at Adelong Public School (ICSEA 946) in NSW attract \$1,084,707 in annual government recurrent funding - \$15,951 per student. The 37 students at St Joseph's School (ICSEA 1026) in the same town attract \$885,170 - a much larger \$23,923 per student. If the schools' combined enrolment was funded at the public-school rate the annual cost to governments would reduce from a total of \$1,969,877 to \$1,674,855. The actual saving would be higher, due to some economies of scale and the even lower per-student cost of the more advantaged combined enrolment. In such a scenario, parents of students in the Catholic school certainly wouldn't be required to pay much, if anything, in school fees. The casual observer might think it would make sense for governments to pay more to certain schools or sectors if there was a dividend in terms of student achievement. After all, schools perform at a variety of levels. But research consistently shows that, within a broadly homogeneous school system, students with similar levels of socio-educational advantage (or more broadly, SES) achieve at similar levels, regardless of school type or sector.<sup>65</sup> Once again, which schools enrol which students significantly defines their character and perceived success. This similarity in school outcomes, when adjusted for family background, also raises questions about the effectiveness of our total (government funding plus fees) expenditure on schools. Comparisons of schools enrolling similar students often reveal big differences in the money that goes into producing their quite similar results. Table 1 raises some financial questions. In the 1000-1049 ICSEA range, median per-student funding, from all sources, is \$15,099 in

Catholic schools, \$16,666 in Independent schools, and \$13,766 in government schools, yet Table 1 also indicates little difference in NAPLAN results between the sectors. If measurable results are important, then a per-student total spend in excess of \$13,766 for the higher funded students is questionable in terms of both effectiveness and efficiency.

**Table 1: Total funding in schools with matched ICSEA and resulting cost implications in 2018**

ICSEA RANGE	1. Sector	2. Enrolment	3. NAPLAN Reading Years 3&5	4. Median funding per student (\$)	5. Projected total funding (\$m)	6. Revised funding at gov school cost (\$m)	7. Excess over Gov school cost (\$m)
950-999	Catholic	61,621	450.2	17,507	1,079	934	145
	Government	680,001	452.1	15,160	10,309	1,079	0
	Independent	2,9651	454.4	17,920	531	449	82
1000-1049	Catholic	285,636	469.9	15,099	4,312	3,932	380
	Government	571,718	470.9	13,766	7,870	7,870	0
	Independent	102,732	470.2	16,666	1,712	1,414	298

\* All Australian schools with ICSEA values (includes some special schools). Note that the lowest cost providers in each ICSEA range are government schools.

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**DOGS note that perhaps the time has come to go forward by going back. Taxpayers substantially pay for the private system. And it would be so much cheaper and educationally sensible if we took over the system and made the schools genuinely public institutions leaving the wealthy pay for their privileges. The economic argument no longer applies and the Catholic system**

**now has 40% non-Catholic enrolment. So - what exactly are we paying for?**

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