

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT

SCHOOLS

PRESS RELEASE 800

SELL OUT OF VICTORIAN PUBLIC SCHOOLS:

TREVOR COBBOLD OF SAVE OUR SCHOOLS

MAKES THE FRONT PAGE OF THE AGE

WITH

<http://saveourschools.com.au/funding/skulduggery-by-the-morrison-andrews-governments-robs-victorian-public-schools-of-billions/#more-3656>

Trevor Cobbold, the whizz kid facts and figures man from *Save Our Schools, Canberra*, has blown the whistle on the education funding deal stitched up between the Federal and State governments. And, surprise, surprise, his exposé of the scandal engulfing the two thirds of Australian children in public schools made the front page of the *Age*, 8 July 2019.

<https://www.theage.com.au/national/victoria/victorian-state-schools-shortchanged-under-escape-clause-20190708-p525af.html>

Congratulations Trevor. Congratulations Henrietta Cook from the *Age*.

But – Gird your loins supporters of Public Schools because –

Victorian public schools are set to miss out on up to \$5 billion due to an “escape clause” in the recent funding deal between the state and the Commonwealth.

That’s the finding of a new analysis by former Productivity Commission economist and education researcher Trevor Cobbold, who has accused politicians of using accounting tricks to reduce funding for public schools. The major accounting tricks involve

1. Counting of a number of non-school expenditures including payroll tax, user cost of capital, depreciation, school transport and expenditure by regulatory agencies such as curriculum and registration authorities as well as depreciation of assets and transport costs.

The cumulative loss to public schools from substituting the allowed non-school expenditures for increases in recurrent school funding to 2028 under this special arrangement is estimated by Save Our Schools at about **\$5 billion**.

2. The Victorian Government also got a second special deal from the Morrison Government for signing up that is not available to other states. In addition to the 4% allowance, it can claim expenditure on the Victorian Curriculum and Assessment Authority and Victorian Registration and Qualifications Authority as it relates to public schools as part of its share of the SRS.

The annual reports of these Victorian authorities show that their expenditure was \$79 million in 2018. This amounts to about \$50 million for public schools pro-rated by enrolment share. The cumulative expenditure over ten years to 2028 is estimated at \$612 million assuming 2% annual growth in expenditure. It counts as a loss to public school funding because the Government would have otherwise had to increase its recurrent funding by this amount to achieve the 75% SRS target.

The two special concessions mean that the Victorian Government has to increase its share of the SRS from the current 68% to only slightly less than 71% over the next 10 years, rather than 75%. Consequently, Victorian public schools will only ever be funded at a little less than 91% of their SRS at best. The total cumulative under-funding to 2028 is estimated at \$17.6 billion.

While public schools will remain indefinitely under-funded, private schools in Victoria will be fully funded at 100% of their SRS by 2023. The Commonwealth has guaranteed that Victorian private schools will be funded at 80% of their SRS by 2023 (they are currently funded at 78%). They are also funded at 19.8% of their SRS by the Victorian Government and this is due to increase to 20% by 2023.

Another stark inconsistency in the agreement that favours private schools is that there is no provision for the Victorian Government to substitute non-school expenditure for an increase in its recurrent funding of private schools. For example, there is no provision for expenditure on the Curriculum and Assessment Authority and the Registration and Qualifications Authority as it relates to private schools to be included as part of the state's share of the SRS of private schools. Private schools will get an actual increase in recurrent funding whereas public schools get defrauded by the inclusion of non-school expenditure items in their SRS.

Moreover, private schools are likely to be over-funded as a result of funding provided by the Morrison Government outside the current model and the new funding agreement. Victorian private schools will receive an additional \$1.4 billion under the funding arrangements announced by the Morrison Government last year to apply over ten years from 2020. This will take them to over 100% of their SRS.

The new agreement continues the misdirection of school funding increases over the past decade and longer in favouring the more privileged, better-off school sectors and students. Over 80% of disadvantaged students in Victoria are in public schools and nearly 90% of disadvantaged schools are public schools. The new agreement robs these students and schools of funding needed to meet the learning challenges they face.

It is unconscionable that the Victorian Labor Government conspired with the Morrison Government to defraud public schools. It is unconscionable that public schools in Victoria should be under-funded indefinitely while private schools are fully funded within the next

four years. Indeed, funding provided to private schools outside the agreement by the Morrison Government will ensure that they are over-funded from 2023 at the latest.

What was the reaction to Trevor's expose?

A Victorian government spokesman said the items included in the standard were consistent with other states.

“Our massive record investment in school infrastructure providing \$5.6 billion to build and upgrade schools is not captured by the standard,” he said.

“We were the last state to sign up to the federal government’s school funding deal because we didn’t think it was fair – and we still don’t.”

Federal Education Minister Dan Tehan said it was "up to the Victorian government to explain why it’s the lowest funder of public schools across the nation".

Justin Mullaly, the deputy president of the Victorian branch of the Australian Education Union, said including spending on other education costs “missed the point” of needs-based funding.

“What schools care about is the actual support they have to support children in classrooms every day,” he said.

“Some of the key goals of the Education State, not least breaking the link between disadvantage and academic achievement, become difficult when you have funding deals that don’t deliver support to the school level to help students.”

He said there was an “astounding lack of transparency” around the deal. It is not yet known how much money will flow to schools across each year of the agreement.

“We are calling on the Victorian government to come clean on what the deal looks like over the five years,” he said.

DOGS note that if the government subsidised so-called private schools are now provided with more funding than public schools then the only efficient economic policy going forward is to take them over, open them up to all children and, for those who wish to be independent, let them put their money where their rhetoric is.

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