

Scott Morrison's record on school funding:

**\$6.5 billion every year in public
school neglect & \$10 billion
in private school cash handouts**

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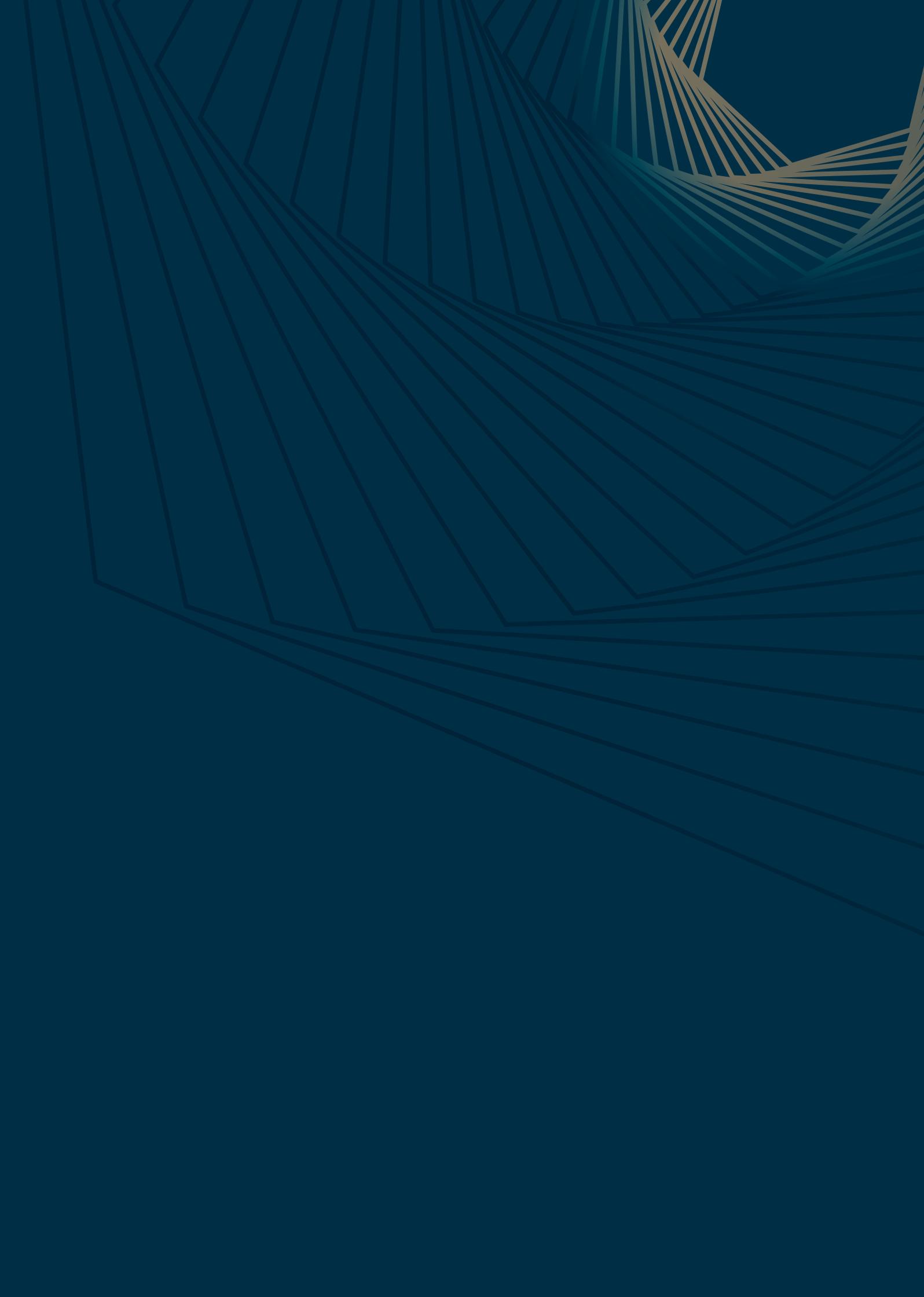
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Executive Summary

“Record funding to schools” – Morrison’s big claim hides rank discrimination

Each of the LNP government’s four Education Ministers (Birmingham, Tehan, Tudge and Robert) have espoused the mantra that they are providing “record funding for schools” at every available opportunity, without ever quite managing to address where, how and to whom this “record funding” has been and will be delivered. In fact, scrutiny of their record shows they have delivered something entirely unbalanced and inherently unfair: record funding to private schools and calculated neglect of students in public schools.

This report details thirteen critically unfair decisions in respect to school funding that the LNP government (with Scott Morrison as either Treasurer or PM) has made since 2015. The first two capture the in-built under-funding of public schools delivered by the Commonwealth engineered Bilateral Agreements with state/territory governments. The other eleven decisions send additional funding to private schools only. These 13 decisions are summarised in the table below.

- | | | | |
|-----------|--|-----------|---|
| 01 | Five year bi-lateral agreements with state and territory governments that under-fund public schools by more than \$4.5 billion each and every year. | 05 | \$1.2 billion in Choice & Affordability slush fund for private schools. Zero for public schools. |
| 02 | Clauses within Commonwealth-State Bilateral agreements that divert an additional \$2 billion a year away from classrooms in public schools, by pretending that depreciation write offs, private and public system wide regulation and school transport can be calculated as part of SRS funding of public schools. | 06 | The one off, single year \$30.2 million Local School Community Fund, from which a grand total of \$21.8 million was thinly spread across more than 1500 public schools with each successful school receiving around \$14,000 for one off purchases. |
| 03 | \$1.9 billion in capital funding grants available to private schools coupled, plus excluding public schools from any capital funding even though they have much greater need. | 07 | \$20 million in drought relief for private schools only plus \$5 million flood relief also for private schools only. |
| 04 | \$3.4 billion in additional funding for private schools to transition to the direct measure of parental income over ten years. | 08 | Confirmation that some of the very richest schools in the country will receive tens of millions of dollars in Commonwealth government funding over and above their full SRS entitlement through to 2028. |

09 No strings attached advances on funding for private schools only to help deal with the initial phase of COVID-19.

10 Additional funding for private schools to improve hygiene measures in response to the pandemic, but NO support for public schools.

11 \$750 million in COVID-19 related JobKeeper subsidies to private schools who retained at least half of this handout as profit.

12 An additional \$2 billion inserted into the pool of Commonwealth funding for private schools at the end of 2021 despite there being no evidence of it being justified on the basis of need. Zero additional funding announced for public schools.

13 2022–23 Federal Budget cut \$796.5 million funding from public schools over the next four years. In a profound act of symmetry, it increases private school funding by \$834.9 million through the use of outlandish enrolment projections. This being on top of the additional \$2 billion increase provided to private schools just a few months earlier.

The Scott Morrison government since 2018, has diverted more than \$10 billion in funding exclusively towards private schools. It has excluded public schools which desperately need the money. This has been achieved through multiple special deals, discretionary funds with little to no accountability, numerous private school only funds to assist with drought, bushfires or the pandemic, and the now notorious systemic rorting built into the design of JobKeeper. Finally, just this year billions in additional funds for private schools only snuck into the latest budget update without even an attempt at proper explanation.

The Morrison government has been over-spending on private schools while public schools right across Australia are under-funded by approximately \$6.5 billion each year. That is \$6.5 billion below their required SRS funding. Let us not forget the SRS level is the minimum funding required by public schools to deliver essential services to the two-thirds of Australia's children that are placed in their care.

Indeed, the Morrison Government has provided record funding for private schools. The great injustice is that the Morrison government has been assiduous in its discrimination and bias so that too little of its additional spend reaches the 2.7 million public school students in Australia.

All told, Scott Morrison and his government have diverted more than ten billion dollars away from the public school system and towards private schools. In a government increasingly exposed for its ability to rort, pork barrel and distort how it distributes

public money, this school funding swindle should surely rank as one of the biggest scandals for one of the most scandal ridden governments in Australia's history.

In 2017, as Treasurer, Scott Morrison proclaimed:

“We can't walk away from the principle which says that the funding for the schooling of every child should be based on a clear standard, and it should be fair for everyone, so we're going to argue for fairness.”¹

Has he lived up to this promise as Prime Minister? Has school funding been “based on a clear standard” that is “fair for everyone”? Has he argued “for fairness?”

This report provides ample evidence to the contrary. We can say with absolute confidence that “we don't think, we know” – Scott Morrison and his government have left behind Australia's public schools and those who learn and teach in them.

The price is a more unequal society with the majority of students now further denied an equal chance in learning. The longer-term public cost will be a reduced national capacity to grow and develop both society and economy.

1. www.youtube.com/watch?v=lvqOf_Bc3vM

Introduction

The past eight years, and in particular the past three years, have seen a significant shift in the way that schools in Australia are funded and in the way that decisions about school funding are made and implemented.

This report provides an overview of all key school funding decisions made by the Commonwealth government in recent years, with a focus on decisions made and funding allocated during the years of Coalition government from 2013. A particular focus is on the period of Scott Morrison's tenure as Treasurer from September 2015 and the Morrison Prime Ministership from August 2018 to the present.

Each funding decision included in this report is linked to evidence of its announcement and implementation. These funding decisions demonstrate a government that shows no regard for the principals of equity or fairness in education. It displays a clear and deliberate preference for providing assistance to the private school system over public schools.

Despite the Prime Minister's platitudes, those who "have a go" certainly do not always "get a go" in the schools of Australia. This report shows how Morrison has deliberately and methodically undermined the principal of educational equity in Australia by consistently favouring private schools over public schools.

In order to properly analyse the Morrison Government's record on funding it is first necessary to briefly examine the record of the Abbott and Turnbull governments. Almost from its election in 2013 the Coalition sought to undermine the Gonski funding model despite assurances during the 2013 election campaign that it would match Labor's school funding promise "dollar for dollar". Instead, they scrapped signed National Education Reform Agreements with States and Territories by the Gillard and Rudd Governments and legislated school funding cuts which overwhelmingly targeted public schools.

The Abbott Government swings the first axe – \$30 billion cut from schools

During the 2013 federal election the Liberal Party promised to match Labor’s school funding promise “dollar for dollar”. Instead, the Coalition’s first budget in 2014 included a \$30 billion cut to Commonwealth spending on schools.² The government indicated at that point it would cut the funding from the final two years (2018 and 2019) of signed Gonski funding agreements with five states and territories and would cut the rate of indexation for every school to the Consumer Price Index.

The 2014/15 Federal Budget confirmed that the newly elected coalition government was determined to undermine existing funding arrangements and to abandon the long term drive towards funding equity embedded in the Gonski funding model.

2014/15 Budget Paper No.3 stated:

*“The previous government’s policies in the areas of public hospitals and schools funding have been revealed to be growing unsustainably into the medium-term, lessening State accountability for their service delivery decisions. The Commonwealth has acted now to address this situation by moving to more realistic funding arrangements for public hospitals (from 1 July 2017) and schools (from 1 January 2018). Whilst preserving the Commonwealth’s commitment of funding for the Students First Programme over the forward estimates period, **these changes generate total savings of over \$80 billion in the period to 2024-25.**”³*

2. www.adelaidenow.com.au/news/south-australia/australian-federal-budget-2014-treasurer-joe-hockey-and-tony-abbott-defend-health-reforms-in-harsh-federal-budget/news-story/f8d4cbd4f414481e26ecd66b868fe3af

3. https://archive.budget.gov.au/2014-15/bp3/consolidated_BP3.pdf

This \$80 billion total cut was later revealed in a June 2014 Senate estimates hearing by Nigel Ray, then Executive Director in the Treasury, to be made up of “a little bit under 30 [billion] for schools and a bit over 50 [billion] for hospitals.”⁴

That cut so glibly described as “a little bit under 30 [billion] for schools” was achieved by reducing the indexation on funding increases to schools that were not funded

to the full SRS. The indexation cut was from 4.7% annually to the annual CPI inflation rate (predicted as 2.5% in 2014-15). By uncoupling the indexation mechanism from the actual cost inflation for school services (which was what the previous indexation mechanism measured) and linking it to the broader and lower CPI, the Commonwealth was able to deliver annual real cuts in funding to Australian schools.

The 2014/15 Budget overview described this funding cut to schools and hospitals through the reduction in indexation thus:

“In this Budget the Government is adopting sensible indexation arrangements for schools from 2018, and hospitals from 2017-18, and removing funding guarantees for public hospitals. These measures will achieve cumulative savings of over \$80 billion by 2024-25.”⁵

4. https://parlinfo.aph.gov.au/parlInfo/download/committeesestimate/000741db-2d46-45cc-b4b7-8057cb9518fd/toc_pdf/Economics%20Legislation%20Committee_2014_06_04_2549_Official.pdf;fileType=application%2Fpdf#search=%22committeesestimate%2000741db-2d46-45cc-b4b7-8057cb9518fd%22 p.160

5. https://archive.budget.gov.au/2014-15/overview/Budget_Overview.pdf

First task – try to walk away from ANY funding responsibility for public schools

In March 2016, with Scott Morrison as Treasurer, the LNP government tried to walk away from funding public schools at all. It put forward a tax reform proposal that would end federal funding of public schools and leave the Federal Government just to fund private schools.⁶ This was described by Dr Ken Boston, former NSW Education Department Director General and Gonski panel review member as “the antithesis of Gonski”. He said “the idea should be ruled out completely – it is completely foreign to the Gonski formula.”⁷

Although this change was not enacted, it precipitated the Coalition’s ongoing efforts to undermine public school funding. In 2017, the Treasurer Scott Morrison cut \$22 billion of planned public school funding over the 10 years from 2018-2027.

The size of the \$22 Billion cut, was confirmed in a leaked government briefing paper which stated that “Compared to Labor’s arrangements, this represents savings of \$6.3 billion over four years (2018 to 2021) and \$22.3 billion over 10 years (2018 to 2027).”⁸

During Senate negotiations the government was forced to commit an extra \$5 billion to public school funding, which reduced the total cut to \$17 billion.⁹

Following this, with Scott Morrison as Treasurer, the Commonwealth Government unilaterally ended five signed state and territory National Education Reform Agreements on school funding. It refused to deliver the final two years of funding (2018 and 2019). Parliamentary Budget Office costings showed that in 2018 and 2019 the cut to public school funding compared to the agreements was \$1.87 billion (85% of the total cuts).

Over 10 years, the total reduction in public school funding denied by not honouring the agreements was valued at over \$14 billion.

6. <https://www.smh.com.au/politics/federal/malcolm-turnbulls-education-revolution-end-federal-support-for-public-schools-20160331-gnuo4l.html>

7. <https://www.smh.com.au/politics/federal/gonski-architect-ken-boston-slams-proposal-for-commonwealth-to-abandon-public-schools-20150622-ghuko7.html>

8. https://www.nswtf.org.au/files/org_report_june_2017.pdf

9. <https://www.theaustralian.com.au/national-affairs/education/gonski-win-looms-after-5bn-deals-with-senate-crossbenchers/news-story/7e41e10547904ac0ddd6cd9373789354>

Stop capital funding for public schools

Scott Morrison as Treasurer also made the decision in 2017 to direct all Commonwealth funding for public schools towards its recurrent funding target of 20% of SRS. This effectively ended the combined stream of capital and recurrent funding that the Commonwealth had provided to public schools since 2009.

This cessation of any capital funding for public schools occurred even though it is common knowledge they are massively under-invested as compared to the private sector. The Capital Investment Gap between private and public schools has been estimated at \$21.5 billion for the first six years of the Coalition government (this is discussed in more detail in the next section).

It is worth noting that the Treasurer Scott Morrison claimed in May 2017 that there should be no special deals between Governments and School sectors:

“Now, there shouldn’t be special deals. There should be one deal and it should be based on the needs of every single student. That’s what we’re putting forward. Others will make their case, as they can and as they should. But what we’re saying to the Australian people is that every child in every school should be able to get the support they need not as a result of a special deal, but based on what they need.”¹⁰

The historical record shows that Mr Morrison was not living up to his words as Treasurer.

10. https://www.youtube.com/watch?v=lygOf_Bc3vM

The Morrison Government 2018 and onwards

Morrison as Treasurer did not live up to his promises, so it is worth looking to see if Scott Morrison as Prime Minister lived up to his promise of a clear funding standard based on need and without special deals.

A balanced assessment can be made, by considering each funding change pursued by the Commonwealth during Scott Morrison's time as Prime Minister. They are discussed below in chronological order of their announcement.

September 2018

In one of his first acts as PM Scott Morrison announces a special deal for private schools

On September 20 2018, less than one month after becoming Prime Minister, Scott Morrison announced a special deal for private schools totalling nearly \$4.6 billion over 10 years. This special additional funding was touted as a response to the National School Resourcing Board's Review of the socio-economic status score released in July 2018. What it actually did, was to let private schools off the hook by providing \$3.4 billion in funds to adjust to the change in socio-economic status score funding. It allowed private schools a decade to transition to the new arrangement, and to establish an additional \$1.2 billion "Choice and Affordability" slush fund that is accessible only to private schools.

The announcement made by Morrison, in conjunction with then Education Minister Simon Birmingham, claimed that "the government remains committed to sector blind needs based funding arrangements" before confirming "an additional \$3.2 billion over ten years to non-government schools identified as needing the most help from 2020 to 2029, with an additional \$170.8 million available in 2019 to give funding certainty."

Prime Minister Morrison took the opportunity for some precision pork barrelling delivered to private schools in the form of the euphemistically named "Choice and Affordability Fund". It was announced that "a further \$1.2 billion will be provided for a new fund to address specific challenges in the non-government school sector, such as supporting schools in drought-affected areas, schools that need help to improve performance and to deliver choice in communities."¹¹

This announcement alone, one of Scott Morrison's first major acts as Prime Minister, entrenched school funding inequity through the provision of a further \$4.6 billion of funding available to private schools only.

The special deal was 'special' because it applied to private schools only.

¹¹ <https://www.pm.gov.au/media/more-choice-australian-families>

New bi-lateral agreements and accounting tricks entrench chronic underfunding of public schools

Having done away with the National Education Reform Agreements between the Commonwealth and State/Territory governments, the Morrison Government then set about imposing a new state and federal funding framework for schools in the form of the National School Reform Agreements (NSRA). This meant changes in the related bi-lateral agreements with each state and territory, which as shown below, further entrenched funding inequality. Most of the agreements were signed by state/territory governments between October and December 2018, although Victoria did not sign until June 2019.¹²

Firstly, the national partnership in school funding to get public schools to even 95% of their required minimum funding was abandoned. By doing so, the new agreements removed the last vestige of possibility that public schools in Australia would reach full funding in the five years from 2018.

In addition, the agreements locked in an arbitrary commonwealth funding cap of 20% of SRS and offered 75% of SRS as an aspirational target for states and territories to move towards over five years. The remaining 5% of SRS needed to meet 100% of SRS (the minimum funding requirement to have 80% of students achieving at the minimum national benchmarks) was by now jettisoned entirely from any public school funding framework. However, in the parallel universe of private schools the minimum 100% SRS commitment was retained for private school funding within the bi-lateral agreements.

As noted by Rorris in a 2020 report on the funding impact of the bi-lateral agreements:

“As part of these bilateral agreements the Commonwealth agreed to deliver at least 80% of SRS funding for private schools by 2023. Many of the wealthiest private schools already receive above 80% of their SRS funding from the Commonwealth. In these cases, the wealthiest schools have their funding gradually reduced to 80% by 2029. To make it even easier for them, they are given multiple ways of calculating their educational advantage status. This affords private schools the softest and most gradual impact on any reduced funding. These wealthiest private schools are overfunded at the same time as governments cannot meet the minimum SRS funding levels required by some of the poorest public schools across the country. This has been agreed to by the Commonwealth through its bi-lateral agreements with state/ territory governments and with private school systems.”¹³

In that report Rorris uses the Department of Education, Skills and Employment’s (DESE) own SRS amounts and enrolment growth projections to quantify the impact that failing to meet this minimum standard has on schools and on individual students. The impact of the 20% SRS cap on Commonwealth funding to public schools, in combination with the state and territory funding arrangements set out in the bilateral agreements, means that in no state or territory except the ACT will public schools meet the minimum SRS requirements by 2023.

Based on the SRS contributions detailed in the bi-lateral agreements, 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 Australia’s public schools will be in systems that are not funded to reach 100% of SRS by 2023.¹⁴

Additionally, the bilateral funding agreements signed between commonwealth and state/ Territory governments only reach 95% of minimum SRS funding level for public schools (except for ACT) by 2023 and guarantee at least 100% of SRS for all private schools except in the Northern Territory by 2023.

13. https://www.aefederal.org.au/application/files/501610393/4220/The_Schooling_Resource_Standard_in_Australia.pdf p3

Commonwealth resourcing and SRS values – Senate Standing Committees on Education and Employment QUESTION ON NOTICE Additional Estimates 2019 – 2020 Outcome: Schools Department of Education, Skills and Employment Question. No. SQ20-000151. & Senate Standing Committees on Education and Employment, QUESTION ON NOTICE, Additional Estimates 2019 – 2020, Outcome: Schools, Department of Education, Skills and Employment. Question No. SQ20-000156, Projections for enrolments in schools.

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

The table below shows the percentage shortfall for each jurisdiction from 2021 to the expiry of the agreements in 2023.

TABLE 1.

Public Schools, Commonwealth and State/Territory contributions to SRS 2021–23¹⁵.

	2021	2022	2023
NSW TOTAL SRS	90.60%	91.40%	92.20%
State/Territory Share of SRS (%)	71.40%	71.80%	72.20%
Commonwealth share of SRS	19.20%	19.60%	20.00%
VIC Total SRS	87.90%	89.20%	90.40%
State/Territory Share of SRS (%)	69.00%	69.70%	70.40%
Commonwealth share of SRS	18.90%	19.50%	20.00%
QLD Total SRS	88.50%	88.90%	89.30%
State/Territory Share of SRS (%)	69.30%	69.30%	69.30%
Commonwealth share of SRS	19.20%	19.60%	20.00%
SA Total SRS	93.70%	94.30%	95.00%
State/Territory Share of SRS (%)	75.00%	75.00%	75.00%
Commonwealth share of SRS	18.70%	19.30%	20.00%
WA Total SRS	93.60%	94.10%	95.00%
State/Territory Share of SRS (%)	75.50%	75.00%	75.00%
Commonwealth share of SRS	18.10%	19.10%	20.00%
TAS Total SRS	93.30%	93.80%	94.10%
State/Territory Share of SRS (%)	73.60%	73.90%	74.10%
Commonwealth share of SRS	19.70%	19.90%	20.00%
ACT Total SRS	104.80%	103.30%	100.00%
Territory Share of SRS (%)	86.10%	84.00%	80.00%
Commonwealth share of SRS	18.70%	19.30%	20.00%
NT Total SRS	80.30%	80.40%	80.60%
Territory Share of SRS (%)	58.00%	58.50%	59.00%
Commonwealth share of SRS	22.30%	21.90%	21.60%

Note: Amounts as agreed by state and Commonwealth governments in their Bilateral Agreements signed off in 2018 and 2019.

15. Data sourced from Bilateral Agreements signed by Commonwealth and state/territory governments 2018, 2019. For NSW, the figures have been adjusted in line with revised bilateral agreement signed in 2021.

Data from the Commonwealth Department of Education, Skills and Employment on per student SRS by state and forecast future enrolment shows that the failure to meet the full SRS means that public schools will be underfunded by a total of \$18.9 billion (more than \$4.5 billion per year) from 2020 through to the end of 2023.

At the same time, private schools will be overfunded by more than \$800 million above the 100% of their SRS between 2020–23. This does not include the money delivered as part of special deals introduced for private schools – (\$3.4 billion to soften the blow of having to gradually reduce funding to 100% of SRS over ten years and \$1.2 billion to promote “choice and affordability”).

TABLE 2.

Total annual public funding for schools in relation to SRS funding required¹⁶.

	2020	2021	2022	2023	CUMULATIVE TOTAL
PUBLIC	-\$4,872,181,854	-\$4,879,707,969	-\$4,714,517,971	-\$4,514,714,035	-\$18,981,121,830
NSW	-\$1,469,388,458	-\$1,425,227,560	-\$1,353,904,646	-\$1,275,297,677	-\$5,523,818,342
VIC	-\$1,460,557,476	-\$1,419,631,974	-\$1,332,984,043	-\$1,238,814,907	-\$5,451,988,399
QLD	-\$1,232,583,193	-\$1,256,589,096	-\$1,262,016,499	-\$1,264,523,232	-\$5,015,712,021
SA	-\$230,740,185	-\$216,430,997	-\$206,976,911	-\$188,790,247	-\$842,938,340
WA	-\$265,807,225	-\$342,166,498	-\$327,208,168	-\$288,544,182	-\$1,223,726,073
TAS	-\$75,567,859	-\$74,410,812	-\$71,955,975	-\$70,271,426	-\$292,206,072
ACT	\$41,630,692	\$34,453,986	\$25,435,688	-	\$101,520,366
NT	-\$179,168,151	-\$179,705,018	-\$184,907,417	-\$188,472,363	-\$732,252,949
PRIVATE	-\$387,933,901	-\$137,777,813	\$588,783,436	\$777,287,189	\$840,358,911
NSW	-\$22,840,445	\$51,080,973	\$287,072,767	\$352,593,641	\$667,906,936
VIC	-\$177,061,874	-\$103,310,735	\$53,868,192	\$118,362,025	-\$108,142,391
QLD	-\$30,914,812	\$9,180,605	\$161,675,842	\$180,181,271	\$320,122,906
SA	-\$57,006,136	-\$36,130,363	\$13,322,822	\$31,483,097	-\$48,330,580
WA	-\$80,739,873	-\$47,472,438	\$58,681,535	\$75,726,901	\$6,196,124
TAS	-\$15,341,047	-\$10,234,620	\$2,795,207	\$7,081,927	-\$15,698,533
ACT	\$24,599,925	\$22,192,607	\$21,350,778	\$17,715,928	\$85,859,239
NT	-\$28,629,639	-\$23,083,842	-\$9,983,707	-\$5,857,601	-\$5,857,601

Note: (1) Red number cells indicate where combined public funding is below SRS minimum funding level. Black number cells where combined public funding is above SRS minimum funding level. (2) Figures for NSW (2020–23) have been revised to accord with the Revised agreement signed by the NSW and Commonwealth governments in October 2021.

16. https://www.aefederal.org.au/application/files/5016/0393/4220/The_Schooling_Resource_Standard_in_Australia.pdf p9

Soon after becoming Prime Minister, Scott Morrison has delivered for private schools in all states and the ACT above 100% of the SRS

by 2023. Table 3 below shows the average value of that overfunding per private school student.

TABLE 3.

Per student public funding for Private Schools above/below SRS level 2018-2023¹⁷.

	2018	2019	2020	2021	2022	2023
NSW	\$278	\$290	-\$53	\$117	\$647	\$785
VIC	-\$353	-\$292	-\$493	-\$283	\$145	\$315
QLD	\$9	\$36	-\$110	\$32	\$552	\$606
SA	-\$587	-\$496	-\$593	-\$371	\$136	\$318
WA	\$123	\$167	-\$580	-\$338	\$415	\$532
TAS	-\$552	-\$466	-\$616	-\$402	\$108	\$270
ACT	\$3,258	\$2,911	\$862	\$762	\$720	\$587
NT	-\$3,399	-\$3,023	-\$2,727	-\$2,216	-\$969	-\$575

Note: (1) Red cells indicate where combined public funding is below SRS minimum funding level. White cells where combined public funding is above SRS minimum funding level. (2) Figures for NSW (2020-23) have been revised to accord with the Revised agreement signed by the NSW and Commonwealth governments in October 2021.

Public schools on the other hand remain deep in the red and well short of their minimum per student funding required (SRS level). Table 4 shows that in all jurisdictions (except for the ACT) public school systems will be

underfunded by more than \$1,000 per student by 2022 and 2023. The greatest under-funding per student occurs in the Northern Territory (more than \$6,000) and in QLD (more than \$2,000 per student).

TABLE 4.

Per student public funding for Public Schools above/below SRS level 2018–2023¹⁸.

	2018	2019	2020	2021	2022	2023
NSW	-\$1,885	-\$1,873	-\$1,815	-\$1,737	-\$1,633	-\$1,525
VIC	-\$2,400	-\$2,372	-\$2,285	-\$2,162	-\$1,991	-\$1,819
QLD	-\$2,127	-\$2,141	-\$2,152	-\$2,164	-\$2,155	-\$2,147
SA	-\$1,443	-\$1,384	-\$1,303	-\$1,209	-\$1,147	-\$1,040
WA	-\$44	-\$533	-\$922	-\$1,167	-\$1,102	-\$965
TAS	-\$1,373	-\$1,367	-\$1,335	-\$1,313	-\$1,268	-\$1,241
ACT	\$1,256	\$1,108	\$930	\$752	\$544	\$-
NT	-\$5,788	-\$5,932	-\$5,973	-\$5,972	-\$6,125	-\$6,264

Source: *Rorris op cit page 11*

18. *Ibid* p 11

The accounting trickery of the “additional allowance”

In order to cajole and incentivise the states and territories into signing up to the agreements, the Morrison Government provided an additional loophole in the bi-lateral agreements to allow states to avoid fulfilling their full funding obligations. The agreements specify that for public schools only, state/territory contributions towards the SRS can include “additional expenditure items”, non-recurrent costs (capital depreciation as an accrual cost) as well as the cost of education standards authorities and some jurisdictions school transport costs.

In all jurisdictions except the ACT, the bilateral agreements allow states to claim expenditures not included in the SRS measure as part of their SRS target share up to 4% of their SRS. This can include, separately or in combination, capital depreciation, school transport, regulatory authorities, preschool in WA and ECE in the NT.

In addition, regulatory authorities that provide services to both public and private schools are charged entirely as expenses for public schools only. Through this allowance the public school system is subsidising the already overfunded private school system.

The majority of the 4% allowable figure is absorbed by the capital depreciation line item. In effect, this is a tax that enables States/Territories to reduce by 4% the amount of funding they need to make as part of their contribution towards SRS level funding for public schools. No such reduction is applied by either Commonwealth or State/Territory governments towards private schools. This provision allows the states to report artificially boosted funding for public schools at the expense of funding required to meet state target shares of SRS.

TABLE 5.

Items included in 4% Additional Expenditure Allowance

	DEPRECIATION	SCHOOL TRANSPORT	REGULATORY AUTHORITIES	PRE-SCHOOL	EARLY CHILDHOOD EDUCATION
NSW	X	-	X	-	-
VIC	X	X	X	-	-
QLD	X	X	X	-	-
SA	X	X	X	-	-
WA	X	X	X	X	-
TAS	X	X	X	-	-
ACT	-	-	-	-	-
NT	X	X	-	-	X

These items have never previously been included in SRS calculations in any prior agreement and are not included in national SRS calculations. This trickery artificially narrows the gap between actual spending and the SRS targets by a further four percentage points. It undermines the entire concept of the SRS as a benchmark for equitable funding in schools. It is a separate capital depreciation tax levied only on public schools, one which serves to reduce the actual commitment of real resources by the states and territories to public schools.

Data from senate estimates confirms that all jurisdictions (apart from the ACT) plan to use the entirety of the 4% allowance to reduce their SRS contributions for every year of the agreement.¹⁹

The total amount of funding diverted away from classrooms nationally through this allowance will total over \$11 billion throughout the life of the five year agreement. This means public schools have been denied over \$2 billion dollars per year on average from the minimum resourcing they need to deliver essential services. Table 6 below shows the distribution of 'denied resourcing' for public schools across Australia during the period 2020–23.

TABLE 6.

State/territory SRS funding diverted through 4% Additional Expenditure Allowance²⁰.

STATE	2020	2021	2022	2023	2020-23 CUMULATIVE TOTAL
NSW	\$579,069,343	\$604,550,397	\$629,723,091	\$655,680,040	\$2,469,022,871
VIC	\$443,264,788	\$468,912,295	\$492,785,228	\$517,790,975	\$1,922,753,286
QLD	\$416,413,241	\$435,559,479	\$453,147,756	\$470,958,373	\$1,776,078,849
SA	\$131,851,534	\$137,416,506	\$145,246,955	\$151,032,198	\$565,547,193
WA	\$202,906,279	\$212,525,775	\$221,836,046	\$230,835,345	\$868,103,445
TAS	\$43,120,033	\$44,557,373	\$46,051,824	\$47,480,693	\$181,209,923
ACT	–	–	–	–	–
NT	\$35,304,069	\$36,488,329	\$37,736,208	\$38,860,281	\$148,388,886
NATIONAL TOTAL	\$1,851,929,287	\$1,940,010,153	\$2,026,527,108	\$2,112,637,905	\$7,931,104,454

The additional funding shortfall for each individual public school student is a minimum \$700 per year in every jurisdiction except the ACT, and over \$1,200 per year for every student in the NT.

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As Rorris points out:

The effect of the ‘capital depreciation charge’ is to apply a segregated rort against public schools. It harms public schools primarily in that it allows state/territory governments to effectively reduce their cash allocations for public schools, by inserting into their ‘contributions’ towards the SRS the entirely notional figure for capital depreciation. This is an accrual based allocation that does not touch the side of any real classroom or school. It is in effect a capital depreciation tax.

The injustice of the ‘capital depreciation tax’ is magnified because it is only and arbitrarily applied to public schools. No such ‘capital depreciation tax’ is applied to the private sector. Nor are the private schools apportioned (based on their enrolment size) a share of the public costs associated with authorities responsible for education standards and curriculum.²¹

21. Rorris, *Ibid.*, p8

Total public school funding shortfall – the true SRS funding gap

The total underfunding of the public school system across Australia averages more than \$6.5 billion each and every year during the period 2020-23. This is the effect of the accounting chicanery deployed by the Commonwealth in enabling states and territories to claim unrelated and accrual based depreciation costs as part of their school resourcing from public schools.

What is the bottom line?

\$26.9 billion of lost funding for the period from 2020 to the conclusion of the agreements in 2023.²²

TABLE 7.

True SRS funding gap – Including Impact of capital tax on public schools

PUBLIC SECTOR	2020	2021	2022	2023	CUMULATIVE FUNDING GAP 2020-23
NSW	-\$2,048,457,801	-\$2,029,777,957	-\$1,983,627,738	-\$1,930,977,717	-\$7,992,841,213
VIC	-\$1,903,822,263	-\$1,888,544,269	-\$1,825,769,271	-\$1,756,605,882	-\$7,374,741,685
QLD	-\$1,648,996,434	-\$1,692,148,574	-\$1,715,164,255	-\$1,735,481,606	-\$6,791,790,870
SA	-\$362,591,719	-\$353,847,503	-\$352,223,866	-\$339,822,445	-\$1,408,485,533
WA	-\$468,713,504	-\$554,692,273	-\$549,044,214	-\$519,379,527	-\$2,091,829,518
TAS	-\$118,687,892	-\$118,968,185	-\$118,007,799	-\$117,752,120	-\$473,415,996
ACT	\$41,630,692	\$34,453,986	\$25,435,688	–	\$101,520,366
NT	-\$214,472,221	-\$216,193,346	-\$222,643,624	-\$227,332,644	-\$880,641,836
NATIONAL	-\$6,724,111,142	-\$6,819,718,122	-\$6,741,045,079	-\$6,627,351,941	-\$26,912,226,284

This does not provide Australia’s public school students with “what they need”.

The capital depreciation tax was masterminded while Scott Morrison was treasurer and executed while Prime Minister. It is a brutal example of Scott Morrison’s blatant disregard for the needs of public school, students and a deliberate favouritism towards private schools.

It was by no means the last.

Nearly \$2 billion of Commonwealth Capital funding grants for private schools only

The Morrison Government set up a long term Capital Grants Program (for private schools only) delivering \$1.9 billion to these schools from 2018 to 2027 for capital improvements to school buildings.²³ Ideology has been a kind paymaster for the private school systems.

Over the close to four years of Morrison's Prime Ministership his government has already provided more than \$560 million from this fund to over 500 private schools²⁴ many of which are already overfunded, whilst at the same time withdrawing all federal capital funding for public schools.

The shocking inequity of this Commonwealth gatekeeping means private schools have historically invested considerably more in facilities than public schools. For example, Rorris has shown that during the first 6 years of the Coalition government (2013–18) the cumulative Capital Investment Gap between private and public sectors was \$21.5 billion.

This is the value of investment that was deprived from public schools if they had received the equivalent per student investment as private schools.²⁵

It is beyond strange that a government forever trumpeting its credentials for fiscal rectitude, should expend \$2 billion of public money to further widen the disparity in capital investment between public and private school systems.

23. <https://www.dese.gov.au/payments-and-grants-schools/capital-grants-non-government-schools>

24. <https://www.dese.gov.au/payments-and-grants-schools/capital-grants-non-government-schools>

25. https://www.aeufederal.org.au/application/files/5716/2278/11619/AEU197_Investing_in_Schools_Report_v5_REV.pdf

April 2019

Morrison throws a few crumbs to public schools in the budget

In lieu of any kind of adequate capital works funding for public schools, the 2019-20 budget included a small scale fund, nothing more than a headline and election bribe “to help local communities fund school activities and new equipment.” – a \$30.2 million local school, community fund to be distributed by local MPs to the tune of \$200,000 per electorate, spent mainly on small scale play equipment, shade sails and furniture.

The Local School Community Fund has the notable honour of being the only funding announcement made by the Morrison Government that could be seen to benefit both public and private schools.

From the tiny amount of funding announced, a one off fund of \$30.2 million to cover every school across the country – a total of \$21.8 million went to public schools at an average of just over \$3,000 per school and less than \$10 per child.²⁶

Equity and fairness for public schools is traduced by the \$6.5 billion dollars of transition funding, choice and affordability funding and capital works grants made available solely to private schools and to the exclusion of public schools by the Morrison government.

26. <https://www.dese.gov.au/school-funding/announcements/local-schools-community-fund-open-applications>

November 2019

Morrison and Tehan act as if only private schools suffer the consequences of drought

In November 2019 then Education Minister Dan Tehan announced that the Morrison Government will provide \$10 million additional funding through the Special Circumstances Fund to support non-government schools facing financial hardship as a result of ongoing drought conditions. This funding was specified only for private schools as a “supplementary financial source for schools” which have “introduced fee relief and/or curtailed their operations to cope with this drastic situation”. This amount was later doubled in January 2020 to \$20 million.²⁷

In launching the additional funding Tehan said the funding would address “the impact on parents of drought and worrying whether they’ll ... be able to continue to afford to send their children to school” and the toil and hardship parents suffer paying school fees.²⁸

Although much smaller than the Morrison government’s primary slush fund for private schools (the “Choice and Affordability Fund”) the creation of a drought relief fund available only to private schools further demonstrates the Morrison government’s philosophy on school funding – to take any and every opportunity available to further distance itself from its intrinsic responsibility to all school students, and to constantly seek to create opportunities to funnel public funds to private schools.

27. <https://minister.infrastructure.gov.au/littleproud/media-release/more-support-communities-affected-drought>

28. <https://www.theguardian.com/australia-news/2019/nov/08/government-schools-excluded-from-coalitions-10m-drought-education-funding>

It is confirmed that private schools will be given a decade to adjust their government funding DOWN to 100% of SRS

As detailed throughout this report, the Morrison Government has continually prioritised the appeasement of the Independent and Catholic school lobbies over the maintenance of the provisions of the Australian Education Act 2013. The Australian Education Amendment (Direct Measure of Income) Bill 2020 (The Bill) passed in March 2020, was the instrument that the Morrison government used to enact its \$3.4 billion special deal for private schools. Ostensibly, the Bill is designed to increase fairness in the distribution of school funding by ceasing to link the measure of parental capacity to contribute (CTC) to the average SES of the local school area and instead using a measure of parent's individual income. However, in reality this Bill has allowed private schools ten years to transition to the new Direct Measure of Income. It has also provided the aforementioned \$3.4 billion in additional funding to soften the blow of this lengthy transition. Then as special addition to an already special deal, it has allowed individual schools to choose the most beneficial of three different methods of determining parental CTC during the decade long transition period.

The effect of these changes was 100% consistent with a policy position that favours the interests of private schools - a large number of private schools will continue to receive more government funding than similar public schools at both the school and per capita level.

Handing out the cash – no need for legislation, just Ministerial discretion

Additionally, in a move that was neither fair nor fiscally responsible, the Bill gave the Commonwealth unprecedented control over school funding arrangements without legislative oversight. The potential for funding changes through regulation, provided the Commonwealth with a blank cheque to provide additional funds to non-government schools entirely at the Minister's discretion and gives access to billions of dollars in additional funding to a tiny number of schools for a wide variety of potential uses.

When rich losers are really the winners

It has been estimated that under the changes proposed by this Bill, in total 59 non-government schools will be worse off and 810 will be better off.²⁹ But the Bill is very short on details of how this additional \$3.4 billion will be distributed.

The allocation of \$3.4 billion to cushion as little as 59 private schools from the effects of this change certainly seems a huge overestimation of its impact on this small number of schools who will lose funding as a result.

29. Joanne Ryan MP, Commonwealth of Australia 2020, Parliamentary debates: House of Representatives: official Hansard, 4 March, 2020.

This begs the question of why the Commonwealth Government needs to put aside \$3.4 billion to cushion only 59 schools from these changes. This is at the same time it presides over a national school funding system that leaves 99% of public schools short of their minimum SRS funding to deliver essential school services. A national shortfall in SRS funding that is at least \$6.5 billion each and every school year.

The answer is provided by per student funding and enrolment projection figures released by DESE in the 2021-22 Budget Estimates.³⁰ The AEU has used these figures to calculate how each independent school and Catholic school system will benefit from the \$3.4 billion transition funding. The analysis shows that among some of the richest private schools in the country, \$200 million dollars in Commonwealth government funding over and above the assigned 80% of SRS will be provided by the Morrison government through the Direct Measure of Income transition.

Table 8 on the following page shows how a sample of thirty of the richest private schools in Australia will benefit from this additional funding. Between them these thirty schools have assets of \$5.2 billion at an average of \$173 million each and have accumulated \$255 million in surpluses at an average of \$8.5 million each in 2019 alone.³¹ Yet despite these huge and ever growing stockpiles of wealth they will receive an additional \$200 million dollars of funding above their allocated SRS amounts from 2020 through to 2028.

This data reveals that despite more than a quarter of a billion dollars in assets and having banked \$10 million surplus in a single year, Haileybury (former Education Minister Alan Tudge's alma mater) will receive \$25 million in excess of the agreed commonwealth SRS amount to 2028. Melbourne Grammar, also with assets of over one quarter of a billion dollars, will receive \$10 million in additional funding, Scotch College which has over \$300 million in assets will receive an additional \$5 million in government funding, and so on.

All the high fee private schools listed at table 7 have well over \$100 million in existing assets and many are retaining multiple millions of dollars in surpluses every year, and yet the Morrison Government has concocted a method that allows them access to a combined \$200 dollars over and above the agreed Commonwealth contribution of 80% of SRS.

30. Budget Estimates 2021-22, Education, Skills, and employment, SQ21-000848 https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ee/2021-22_Budget_estimates

31. Schneiders, B, *Australia's top private schools are growing richer and faster than ever*, The Age, 16/06/2021 - <https://www.theage.com.au/national/australia-s-top-private-schools-are-growing-richer-and-faster-than-ever-20210615-p5814b> & Budget Estimates 2021-22, Education, Skills, and employment, SQ21-000848 https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ee/2021-22_Budget_estimates

TABLE 8.

Rich private schools' assets, surplus and allocation funding above agreed SRS amount 2020-2028³²

ADDITIONAL FEDERAL GOVERNMENT FUNDING TO BE RECEIVED ABOVE 80% OF SRS

SCHOOL	STATE	2019 assets	2019 surplus	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Government funding above 80% of SRS 2022-2028 during transition to DMI
Haileybury	VIC	\$ 266,252,000	\$ 8,449,000	\$ 1,647,389	\$ 1,365,527	\$ 5,047,520	\$ 4,564,289	\$ 3,781,817	\$ 3,228,853	\$ 2,645,766	\$ 1,713,180	\$ 1,052,507	\$ 25,046,849
Trinity Grammar School	NSW	\$ 119,830,395	\$ 6,053,797	\$ 303,731	\$ 158,026	\$ 3,847,085	\$ 3,398,146	\$ 2,918,325	\$ 2,406,117	\$ 1,859,945	\$ 1,278,111	\$ 658,765	\$ 16,828,251
Monte Sant' Angelo Mercy College Limited	NSW	\$ 127,378,728	\$ 396,936	\$ 2,823,835	\$ 2,574,114	\$ 2,328,093	\$ 2,066,175	\$ 1,760,558	\$ 1,462,671	\$ 1,113,654	\$ 776,844	\$ 378,994	\$ 15,284,937
Brisbane Grammar School	QLD	\$ 190,979,000	\$ 24,256,000	\$ 531,554	\$ 458,202	\$ 3,024,604	\$ 2,691,300	\$ 2,297,265	\$ 1,874,809	\$ 1,472,237	\$ 992,993	\$ 541,878	\$ 13,884,842
Council of Newington College	NSW	\$ 246,410,320	\$ 6,598,831	\$ -	\$ -	\$ 3,172,773	\$ 2,828,056	\$ 2,411,452	\$ 1,964,542	\$ 1,547,780	\$ 1,040,731	\$ 573,429	\$ 13,538,762
The Ivanhoe Grammar School	VIC	\$ 204,959,458	\$ 18,731,460	\$ 157,264	\$ -	\$ 2,469,493	\$ 2,149,473	\$ 1,805,516	\$ 1,562,400	\$ 1,174,838	\$ 759,390	\$ 465,669	\$ 10,229,515
Melbourne Grammar School	VIC	\$ 254,386,455	\$ 13,773,346	\$ 1,495,684	\$ 1,346,051	\$ 1,687,807	\$ 1,482,438	\$ 1,315,936	\$ 1,085,172	\$ 839,006	\$ 576,659	\$ 297,282	\$ 10,126,035
Guildford Grammar School Inc	WA	\$ 138,484,445	\$ 1,311,083	\$ 817,229	\$ 604,482	\$ 2,394,107	\$ 2,123,269	\$ 1,834,668	\$ 1,527,593	\$ 1,120,996	\$ 768,848	\$ 395,445	\$ 8,743,216
St Leonard's College	VIC	\$ 133,117,000	\$ 5,613,000	\$ -	\$ -	\$ 2,018,341	\$ 1,753,748	\$ 1,512,122	\$ 1,255,310	\$ 982,821	\$ 638,073	\$ 327,869	\$ 8,488,284
Brisbane Girls Grammar School	QLD	\$ 147,376,739	\$ 3,084,385	\$ 199,232	\$ 137,979	\$ 1,853,672	\$ 1,659,956	\$ 1,419,618	\$ 1,162,349	\$ 887,190	\$ 639,914	\$ 330,412	\$ 8,290,323
Wesley College Melbourne	VIC	\$ 192,587,804	\$ 466,049	\$ -	\$ -	\$ 1,592,530	\$ 1,452,566	\$ 1,304,059	\$ 966,829	\$ 793,514	\$ 610,508	\$ 211,310	\$ 6,931,316
St Andrew's Cathedral School	NSW	\$ 138,516,413	\$ 12,628,207	\$ -	\$ -	\$ 1,476,000	\$ 1,375,960	\$ 1,142,257	\$ 953,258	\$ 753,023	\$ 541,203	\$ 240,951	\$ 6,482,652
St Catherine's School Waverley	NSW	\$ 116,725,913	\$ 4,076,237	\$ -	\$ -	\$ 1,340,472	\$ 1,183,671	\$ 1,016,188	\$ 837,515	\$ 647,137	\$ 444,498	\$ 228,991	\$ 5,698,471
Methodist Ladies' College	VIC	\$ 149,417,409	\$ 8,414,870	\$ 266,898	\$ 183,424	\$ 1,318,265	\$ 1,199,334	\$ 1,007,763	\$ 872,380	\$ 656,230	\$ 424,347	\$ 260,330	\$ 5,288,325
Carey Baptist Grammar School Limited	VIC	\$ 132,026,513	\$ 11,963,153	\$ 775,453	\$ 451,900	\$ 1,439,260	\$ 1,292,826	\$ 1,137,400	\$ 885,258	\$ 706,647	\$ 517,940	\$ 215,139	\$ 4,967,116
Gaulfield Grammar School	VIC	\$ 237,392,000	\$ 3,687,000	\$ 421,491	\$ 216,242	\$ 1,215,526	\$ 1,045,133	\$ 862,706	\$ 667,631	\$ 680,618	\$ 468,173	\$ 241,538	\$ 4,543,592
Geelong Grammar School	VIC	\$ 231,273,000	\$ 5,469,000	\$ 290,442	\$ 199,742	\$ 1,099,646	\$ 959,925	\$ 810,304	\$ 650,265	\$ 568,444	\$ 390,969	\$ 201,692	\$ 4,191,060
Brighton Grammar School	VIC	\$ 119,359,373	\$ 11,470,942	\$ 60,778	\$ 62,892	\$ 994,886	\$ 872,140	\$ 740,781	\$ 647,817	\$ 501,017	\$ 344,464	\$ 177,636	\$ 4,155,071
The Camberwell Grammar School	VIC	\$ 139,489,502	\$ 464,647	\$ 179,973	\$ 124,638	\$ 812,830	\$ 724,570	\$ 630,560	\$ 530,560	\$ 367,953	\$ 252,305	\$ 129,744	\$ 3,753,132
The Ivanhoe Girls' Grammar School	VIC	\$ 130,899,544	\$ 1,435,206	\$ -	\$ -	\$ 797,199	\$ 687,792	\$ 610,682	\$ 486,467	\$ 398,577	\$ 258,059	\$ 158,525	\$ 3,397,301
The Council of Barker College	NSW	\$ 149,835,869	\$ 5,805,114	\$ 94,849	\$ 97,555	\$ 730,760	\$ 657,839	\$ 580,087	\$ 402,573	\$ 310,641	\$ 213,067	\$ 109,602	\$ 3,196,973
Scotch College Hawthorn	VIC	\$ 314,087,787	\$ 30,931,167	\$ 308,269	\$ 157,193	\$ 808,928	\$ 696,879	\$ 576,420	\$ 515,562	\$ 380,772	\$ 236,272	\$ 160,940	\$ 2,910,311
The Council of Abbotsleigh	NSW	\$ 242,249,959	\$ 8,961,769	\$ 161,523	\$ 110,889	\$ 725,379	\$ 652,001	\$ 531,957	\$ 447,081	\$ 357,146	\$ 261,981	\$ 108,912	\$ 2,812,045
Sydney Grammar School	NSW	\$ 152,306,702	\$ 2,391,237	\$ 495,783	\$ 453,753	\$ 408,793	\$ 360,775	\$ 309,547	\$ 254,964	\$ 196,880	\$ 135,137	\$ 69,566	\$ 2,685,198
The King's School	NSW	\$ 171,912,117	\$ 9,158,263	\$ -	\$ 129,072	\$ 628,583	\$ 520,078	\$ 403,437	\$ 412,278	\$ 284,283	\$ 147,034	\$ 150,230	\$ 2,674,995
Ascham School Ltd	NSW	\$ 152,692,290	\$ 9,859,104	\$ 335,436	\$ 307,156	\$ 276,866	\$ 244,475	\$ 209,876	\$ 172,965	\$ 133,638	\$ 91,782	\$ 47,276	\$ 1,819,472
Christ Church Grammar School	WA	\$ 142,039,031	\$ 338,118	\$ 330,154	\$ 284,480	\$ 290,710	\$ 240,480	\$ 186,508	\$ 190,555	\$ 131,368	\$ 67,931	\$ 69,392	\$ 1,791,577
Cranbrook School	NSW	\$ 168,148,123	\$ 10,368,515	\$ 237,858	\$ 197,161	\$ 201,872	\$ 156,886	\$ 160,625	\$ 110,967	\$ 113,602	\$ 58,866	\$ 60,261	\$ 1,298,097
Canberra Girls Grammar School	ACT	\$ 125,944,184	\$ 1,740,745	\$ 155,693	\$ 120,852	\$ 220,774	\$ 189,883	\$ 156,787	\$ 121,372	\$ 123,773	\$ 85,167	\$ 43,953	\$ 665,164
Beaconhills Christian College Limited	VIC	\$ 155,903,611	\$ 28,487,203	\$ 1,728,377	\$ 1,064,554	\$ 684,188	\$ 702,424	\$ 365,017	\$ 374,732	\$ 384,704	\$ 394,941	\$ -	\$ 113,074

32. Schneiders, B, Op.cit & Budget Estimates 2021-22, Education, Skills, and employment, SQ21-000848

COVID-19 provides Morrison with the opportunity for another special deal – another round of no strings attached assistance for private schools only

Throughout the early stages of the pandemic the Morrison Government continually favoured private schools and systematically excluded public schools from offers of assistance. The Commonwealth Government offered independent schools early part-payment of their annual funding, bringing 25% of total annual recurrent funding forward from July 2020 to May and June 2020 in exchange for committing to reopening schools for physical on site learning at the start of term two.

The select committee hearing into Australia's response to COVID 19 in May 2020 revealed that schools were eligible for early funding regardless of whether they had experienced any liquidity issues.³³

It also revealed that the Commonwealth Government was not monitoring compliance with the terms of its offer to bring forward recurrent funding to private schools and that schools were merely required to provide a plan to reopen at the start of June, but not required to prove that they actually will.

Additionally, and importantly, this incentive to private schools was offered without consideration for the protocols in place in the states and territories, and in the case of Victoria, in direct contradiction and with flagrant disregard for the advice of the state's Chief Health Officer.

These arrangements further demonstrate the inequity of the Morrison Governments' treatment of public schools, and its abdication of responsibility to public schools in its response to the COVID-19 pandemic.

The federal government has a significant recurrent funding responsibility to public schools, and yet has refused to make alternative funding arrangements and additional funds available to public as well as private schools. The Morrison Government has further entrenched the existing inequity in treatment of public school students and staff by the commonwealth.

33. https://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/25fdbd8a-a6dc-4b78-9fb2-fa01684ea9eb/toc_pdf/Senate%20Select%20Committee%20on%20COVID-19_2020_05_19_7726_Official.pdf;fileType=application%2Fpdf#search=%22committees/commsen/25fdbd8a-a6dc-4b78-9fb2-fa01684ea9eb/0000%22

May 2020

\$10 million to fund additional hygiene measures for private schools only

The Morrison Government announced that they would provide a \$10 million special deal to private schools to improve COVID-19 hygiene measures.

There was no mention or concern for the two thirds of students who don't attend private schools and a wilful ignorance of the urgent need to improve hygiene measures in public schools across the country during the initial COVID-19 wave.

Morrison's Choice and Affordability fund is distributed to private schools with next to no accountability or transparency

At the end of 2020 the Morrison published its Choice and Affordability agreements [\$1.2 billion] with the Independent and Catholic Non-Government Resourcing Bodies (NGRB) in each state and territory.

In announcing the publication of the funding agreements then Minister Tehan stated that:

“The agreements state that the Choice and Affordability Fund should be directed towards:

- *Non-government schools in regional, rural and remote areas;*
- *Schools affected by drought, bushfires and other natural disasters, where short-term financial viability is affected;*
- *Enhancing student wellbeing and support initiatives; and*
- *Lifting outcomes in underperforming schools”³⁴.*

In actual fact, the guidelines for the fund, written in collaboration with the NDRBs who would receive the funds, reveal a much wider and opaquer list of uses for the additional \$1.2 billion in funding. The fund guidelines state that:

The fund guidelines state that:

“The national priorities were developed in consultation with the national representative bodies and are:

- *Choice and affordability of schools*
- *Transition assistance*
- *Special circumstances funding*
- *Strengthening outcomes for schools and educationally disadvantaged schools and students*
- *Student wellbeing and support*
- *Other priorities identified by the Minister from time to time.”³⁵.*

34. <https://ministers.dese.gov.au/tehan/supporting-choice-and-affordability-parents?page=1>

35. <https://www.dese.gov.au/quality-schools-package/resources/choice-and-affordability-fund-guidelines>

As can be seen from the two excerpts above, the actual guidelines diverge significantly from those announced by Minister Tehan and allow additional funding to be allocated for almost any reason, including the “choice and affordability of schools” and “other priorities identified by the Minister from time to time”, none of which feature in Tehan’s description of the funds’ purpose.

It is interesting to note what does feature prominently in Tehan’s description of the fund – “schools in regional, rural and remote areas” and “schools affected by drought, bushfires and other natural disasters”. However, the agreements reveal that only 9% of the funding is allocated to regional schools, and they make no mention of any of the funding needing to go to schools to recover from bushfires and drought. For example, the NSW Catholic NGRB agreement shows that on average only about 1.4% of the more than \$220 million allocated to Catholic system will go to the regional transition fund - the NSW catholic school system has essentially been handed another quarter of billion to use as they like with virtually no oversight or accountability.

In Victoria none of the \$189 million in total is allocated to regional transition assistance in any year through to 2029. Further, there is no funding allocated to either drought or bushfire relief anywhere in the agreement.

These agreements suggest the true purpose of the Choice and Affordability Fund –providing a blank cheque to the various Catholic and Independent school NGRBs by exploiting the tragedy of bushfires and drought as the cover story.

The ANAO blasts the Morrison government over its lack of transparency on school funding

In 2017 the Auditor-General conducted an audit of Australian Government funding for schools. The report focused on how government funding allocated to private school authorities was allocated.

Auditor-General Report No.18 2017–18 found that the Department of Education and Training did not have a sufficient level of assurance that Australian government school funding had been used in accordance with the legislative framework, in particular the requirement for funding to be distributed to schools on the basis of need, and that”

“The Department of Education and Training did not have a sufficient level of assurance that Australian Government school funding had been used in accordance with the legislative framework, in particular the requirement for funding to be distributed to schools on the basis of need”³⁶.

In 2019 the Joint Committee of Public Accounts and Audits ordered the Australian National Audit Office (ANAO) to issue a follow up report on the Department’s progress. This ANAO follow up report on school funding found that the Morrison Government lacks transparency in school funding and cannot demonstrate that it meets the requirement for funding to be distributed to schools on the basis of need.

That audit, published in 2021, concluded that the arrangements established by the Department of Education and Training to monitor the impact of Australian government school funding did not provide a sufficient level of assurance that funding had been used in accordance with the legislative framework, in particular the requirement for funding to be distributed to schools on the basis of need.

³⁶ <https://www.anao.gov.au/work/performance-audit/monitoring-the-impact-government-school-funding-follow-up>

The audit report concluded that:

The department's administration of legislated requirements to gain assurance that funding has been allocated, used and distributed in accordance with the requirements is only partially effective.

- The department does not yet effectively support the transparency of Australian government funding allocation and does not analyse school funding allocation data to ensure that funding is distributed in accordance with need.
- The department's approach to assessing the impact of school funding on educational outcomes is not fully effective
- The department does not yet effectively support the transparency of Australian government funding allocations as prescribed in the Act and since 2018 has not completed work to ensure that funding distributed by system authorities is in accordance with the Act
- The department does not ensure that the legislative requirement to report publicly on the application of any financial assistance paid to an approved authority is met
- The department does not always ensure NGRBs fulfil their transparency requirements
- Choice and affordability – the department advised that it did not use a standardised process to record its assessment of the agreements or work plans. Instead, it worked with each NGRB, providing feedback on the agreements and work plans over phone and email

The ANAO's report found that many recommendations from the 2017 ANAO report were found to have not been implemented or only partially implemented by the Department.

In assessing progress on its 2017 recommendations, it found that many had not been implemented, or had only partially been implemented, including:

- While the department is establishing mechanisms to enable the effective use of school data to inform policy, to date the use of these mechanisms by staff is **limited**.
- The Department of Education and Training strengthen its analysis of school funding allocation data to gain assurance that school funding is appropriately distributed in accordance with need as required under the Act. – **Recommendation has not been implemented**
- The Department of Education and Training make greater use of available data to better understand the impact of funding on educational outcomes and to inform the development and refinement of education policy – **“largely implemented”**
- That the Department of Education and Training implement improvements to its administrative arrangements for compliance certificates for Australian government school funding and acquittal certificates under the Australian Education Act 2013. – **Partly implemented**
- The Committee recommends that the Department of Education and Training improve its approach to measuring progress against the achievement of reform directions and objectives under the National Education Reform Agreement. – **Partly implemented**

Morrison hands \$750 million in JobKeeper to some of the richest private schools in Australia, and they put it straight in the bank

Private schools received a total of \$750 million from the Federal Government's JobKeeper wage subsidy program throughout 2020 and 2021. Figures provided to Parliament by the Australian Taxation Office show 700 private schools received JobKeeper payments including some of the richest private schools in the country.³⁷ During this same time, the Morrison Government provided zero additional funding support to public schools.

Analysis by Trevor Cobbold, a former Productivity Commission Economist, has revealed that the average payment received by 700 private schools was over \$1 million per school, and that many elite private schools got millions more than this whilst continuing to make profits that in some cases very closely match the total JobKeeper assistance they received.

Many of the schools that received huge JobKeeper payments are familiar from the list of already overfunded rich private schools shown at table 8 (page 33) of this report, and it appears that many of them kept all or most of their JobKeeper payments as profit to be transferred into their already large coffers.

In NSW, the King's School received \$7 million in JobKeeper and kept almost all of it as profit, recording a \$6.9 million surplus, Moriah College received \$6.8 million and recorded a \$9.4 million surplus, St Joseph's College

received \$6.7 million and retained \$1.2 million in profit and Glenaeon Rudolf Steiner School received \$2 million and kept most of it as a \$1.5 million surplus.³⁸ In total, thirty three private schools in NSW received a combined total of \$72.1 million in JobKeeper subsidies in 2020–21 – 95% of the 75.6 million in profit they recorded that year.

In Victoria, Australia's wealthiest school, Geelong Grammar which has assets of over \$230 million dollars, got \$10.7 million from JobKeeper. Melbourne's Wesley College, with assets of nearly \$200 million, got \$18.2 million in JobKeeper subsidies and posted a \$2.2 million profit, Penleigh and Essendon Grammar received \$9.2 million in JobKeeper and kept two thirds of it (\$6.5 million) as profit, Bialik College received \$7 million and kept almost all of it (\$6.7 million) as profit and St Leonard's recorded a huge \$11 million surplus, significantly bolstered by the \$6.2 million in JobKeeper subsidies received by the school. Twenty-one of Victoria's wealthiest private schools received \$90 million in JobKeeper payments while making profits of \$97 million – this means that JobKeeper provided 93% of these schools' profits for 2020–21.

Cobbold notes that this sort of JobKeeper by exclusive and expensive private schools was not limited to NSW and Victoria.

37. News: Private schools reap \$750m in JobKeeper email

38. All above Cobbold

In Queensland, St. Hilda's School received \$5.9 million in JobKeeper and made a profit of \$7.4 million, Brisbane Grammar got \$3.2 million in JobKeeper and recorded \$3.8 million profit, Toowoomba Grammar received \$4.2 million from the scheme and also kept \$3.8 million in profit, The Cathedral School of St Anne and St James received \$3.9 million in JobKeeper and kept \$3.6 million of that as profit and Northside Christian College received \$3.8 million in JobKeeper and booked \$5.4 million profit. In all, 27 of Queensland's private schools with combined assets of over \$1.6 billion dollars and in the case of Brisbane Grammar individual assets of \$199 million, have received a total of \$90 million in JobKeeper subsidies over 2020–21, the vast majority of the \$100 million in profit that these 27 schools recorded.

In Perth, the exclusive Hale School received \$7.5 million in JobKeeper and made a profit of \$8.3 million while Guildford Grammar received \$5.2 million and made a profit of \$5.8 million.

In the ACT, Canberra Grammar received \$7.6 million in JobKeeper and recorded a profit of \$8 million, an increase of \$5 million over the previous year.

In all, more than \$750 million dollars was provided to private schools in JobKeeper subsidies, whose eligibility was determined by the Morrison Government's deliberately weak and easily manipulated application criteria.

As Cobbold concludes, the Morrison Government's deliberately loose criteria for access to JobKeeper functioned as yet "another opportunity for the Morrison Government to provide even more special funding for private schools. It is icing on the cake of a huge funding boost for private schools through a highly flawed method of determining their financial need."³⁹

39. Cobbold, T., *Wealthy Schools Pocket Millions in JobKeeper Funds Despite Profits*, 13/10/2021 <https://saveourschools.com.au/funding/wealthy-schools-pocket-millions-in-jobkeeper-funds-despite-profits/>

The Morrison government delivers yet another \$2 billion in additional funding to private schools with no justification or explanation

The 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) shows that the Morrison Government plans to fund private schools to the tune of an additional \$2 billion over the forward estimates when compared to the funding totals in the May 2021 budget.

Note that the entire \$2 billion in additional funding is diverted towards private schools and there is no increase for public school funding in the forward estimates.

The explanation for this cited in MYEFO is that this is “reflecting increased student enrolments and support of needs-based disability loading”.⁴⁰

TABLE 9.

Funding to private schools, 2021–22 Budget and MYEFO 2021-22 (\$ million)

	FUNDING TO PRIVATE SCHOOLS (\$ MILLION)		
	2021-22 BUDGET	2021-22 MYEFO	ADDITIONAL PRIVATE SCHOOL FUNDING BETWEEN 2021-22 BUDGET AND MYEFO
2021-22	14,710.30	15,297.30	587.00
2022-23	15,509.40	15,958.90	449.50
2023-24	16,200.00	16,665.80	465.80
2024-25	-\$362,591,719	-\$353,847,503	-\$352,223,866

40. https://budget.gov.au/2021-22/content/myefo/download/10_appendix_c.pdf

It is curious that the Morrison Government would cite increased private school enrolments and support for disabled students at private schools as the reason for this additional windfall.

The vast majority of students with disability attend public schools. In 2020, there were 546,000 public students with disability including 178,000 who were categorised within the “Support within Quality Differentiated Teaching Practice” disability group and thus received no additional disability loading.

Enrolment data has consistently shown that the greatest need is in public schools, enrolments are rising faster than private schools and public schools educate the vast majority of students with disability. The latest ABS data shows that over the five years to 2020 public school enrolments increased by 145,341, more than double the combined Catholic and Independent school enrolment increases of 63,407 (51,852 and 11,555 respectively).⁴¹

Indeed, DESE confirmed in the June 2021 Budget Estimates that their projected enrolment figures through to 2029 had not changed from those reported in 2020.⁴² So, if the projected private enrolments figures had not changed to June 2021, what monumental change occurred between June and December 2021 that could necessitate \$2 billion in increased funding?

Most likely this latest hand out to private schools has no basis in calculation of need but is just another example of a litany of funding decisions grounded in favouritism towards the private sector.

41. [Schools, 2020 | Australian Bureau of Statistics \(abs.gov.au\)](#)

42. Department of Education, Skills and Employment Question No. SQ21-000772 Budget Estimates 2021-22

March 2022

Morrison delivers more flood disaster relief for private schools only.

Following the devastating floods in South Queensland and the Northern Rivers region of New South Wales, the Morrison government announced an additional \$5 million for flood affected schools in those two states. The announcement was heartily welcomed by the CEO of the private school lobby group [Independent Schools Australia], who said “receiving financial support to replace things like uniforms and books will take some of the pressure off parents as they work to rebuild.”⁴³.

It is unclear why no funds provided for public schools who educate the majority of students in flood affected regions. Hard to believe that their books and uniforms were miraculously undamaged by the flood waters. In the real world, such neglect by government has real consequences for children and their families.

43. Independent Schools Australia, *Non-government schools impacted by the floods receive additional funding*, media release, 23/03/2022

Morrison's 2022–23 Budget – cuts for public schools and more cash to private schools

In Morrison's last ditch election year Budget, he has included one off cash support for drivers, low and middle income earners, apprentices and their employers. Those he decidedly did not seek to 'cash support' were public school students and teachers. When compared to the previous years' Budget papers, there is \$796.5 million less allocated to public schools in 2022–23 than was allocated in 2021–22. This amounts to a cut of \$139.0 million in 2022–23, \$193.9 million in 2023–24, \$226.9 million in 2024–25 and a further cut of \$236.7 million 2025–26.

However, there was plenty of cash to be found for private schools. The 2022–23 Federal Budget includes the additional \$2 billion allocated to private schools just over three months ago (MYEFO, December 2021). The Morrison government budget of April 2022, tops this up with another \$834.9 million additional dollars in funding over the next four years.⁴⁴

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