Simplistic link on school funding and results



By Trevor Cobbold

Some of the commentary on the Productivity Commission (PC) report on the National Schools Reform Agreement (NSRA) has drawn a simplistic and highly misleading link between increased school funding and results.

It ignores the key facts that Catholic and independent schools had the largest funding increases since 2009 and the largest declines in international test results.

The figures suggest that private schools are much less efficient than public schools, especially given that public schools enrol the vast majority of disadvantaged students.

The report triggered a severe bout of wailing that funding increases over the past decade have failed to have any impact on school outcomes.

A headline in the Australian Financial Review said it all: “Gonski billions had ‘little impact’ on literacy, numeracy”. It editorialised: “Spending so much money to produce so little in the national interest raises questions about the basic effectiveness of public policy”. Many others took up the refrain.

The wailing was helped along by the PC itself. Commissioner Natalie Siegel-Brown told the Sydney Morning Herald: “Governments have boosted funding for schools and are implementing reforms to lift student outcomes. However, so far, this effort has had little impact on literacy and numeracy results.”

This was despite the PC’s own statement that funding was outside the scope of its inquiry. The report itself did not draw such a link.

It did not analyse the relationship between funding and school outcomes. Yet, the commissioner went ahead and fuelled

the mantra that funding increases have failed to improve outcomes.

It was enough for the Financial Review to claim that the PC had “shockingly concluded” that the Gonski funding had failed.

The report did not make such a finding or conclusion.

The Financial Review’s comments are a common mantra. They are simplistic and superficial. They fail to analyse what has happened to school funding and outcomes over the past decade or more.

A more thorough analysis shows that funding increases have heavily favoured private schools which enrol only a small proportion of disadvantaged students and that private schools had the biggest declines in international test results.

Government funding has favoured private schools

First, the mantra fails to acknowledge that the biggest funding increases have gone to private schools and they have far more resources than public schools.

On average, private schools are over-funded while public schools are massively under-funded.

The funding increase for Catholic and independent schools since 2009 was three times that for public schools.

Since 2009, Commonwealth and state government funding per student, adjusted for inflation, increased by $830 per student in public schools compared to $2,839 per student in independent and $2,490 per student in Catholic schools.

Private schools now have an even larger resource advantage over public schools.

The average income per student in independent schools in 2020 was 52 per cent higher than for public schools $24,338 per student compared to $16,030 per student in public schools.

Income per student in Catholic schools at $17,831 was 11 per cent higher than in public schools.

The mantra regularly disparages the Gonski funding as having failed. In reality, there was very little Gonski funding. The additional funding in the first four years of the plan was little more than planned in the forward estimates at the time.

The big funding increases planned for the last two years never eventuated. The Abbott Government abandoned the $7.5 billion funding increase planned for last two years of the plan.

It also immediately abandoned the agreement that the states increase their funding. This was a further loss of $5.6 billion in state funding over the next six years.

The Morrison Government introduced a new funding approach for private schools that delivers a $36 billion funding deal over 10 years supplemented by a $1.2 billion Choice and Affordability slush fund. There was nothing for public schools.

The outcome is that private schools are over-funded by governments while public schools are massively under-funded. On average, private schools were funded at 103 per cent of their Schooling Resource Standard (SRS) in 2022 while public schools were funded at only 87 per cent of their SRS.

Private schools had the biggest decline in school results

Private schools had the largest declines in the Organisation for Economic Co-operation and Development’s Programme of Student Assessment (PISA) test results since 2009.

Despite their highly privileged funding, independent schools had the biggest declines. This is entirely ignored by the Financial Review.

Independent school reading results declined by 18 points and by 17 points in Catholic schools compared to 10 points in public schools.

The reading decline in public schools was not statistically significant but declines in independent and Catholic schools were statistically significant.

Mathematics results declined by 24 points in independent schools and 27 points in Catholic schools compared to 22 points in public schools.

Science results fell by 30 points in independent schools and by 28 points in Catholic schools compared to 22 points in public schools.

Many of those espousing the mantra over the years assert that private schools have better results than public schools. This is false.

The differences are solely the result of different student demographic profiles between the school sectors.

Once adjusted for the differences in the socio-economic status (SES) composition of schools, the PISA results show that public schools have better results than private schools.

Clearly, public schools perform as well as, if not better, than private schools when the differences in student and school SES are taken into account. This is a consistent finding of many studies.

Nearly 30 academic studies of public and private school outcomes in Australia in the last 20 years have shown that the vast weight of evidence is that public schools achieve similar or better outcomes compared to private schools.

The most recent of these studies analysed NAPLAN results for Years 3 to 9 and found no differences between public and private schools after controlling for socioeconomic status.

Public schools are under-funded for the challenges they face

Government funding has been badly misdirected to the school sectors least in need instead of the sector most in need.

Public schools are managing to do as well as private schools despite having far fewer human and material resources than private schools and being disadvantaged by government funding policies that have heavily favoured private schools.

However, they remain massively under-funded for the challenges they face.

Public schools enrol over 80 per cent of disadvantaged students and there are shocking inequalities in school outcomes between advantaged and disadvantaged students.

Very high proportions of low SES, Indigenous and remote area students do not achieve national literacy and numeracy standards compared to very small proportions of high SES students.

By Year 9, low SES, Indigenous and remote area students are four to five years of learning behind their high SES peers.

Despite this, public schools across Australia are vastly under-funded to meet the challenges they face.

They are currently funded on average at 87.1 per cent of their SRS. Public schools in all states except the ACT are funded at well under their SRS. They will remain under-funded until at least 2029 under current funding arrangements.

By contrast, private schools, who serve only a small minority of disadvantaged students, are significantly over-funded.

On average, they are currently funded at 104.3 per cent of their SRS and will remain over-funded for the rest of the decade. Private schools in all states except the Northern Territory are funded at over 100 per cent of their SRS.

The chronic severe under-funding of public schools cannot be allowed to continue. The recent PC report on the current NSRA says that governments have to do better on equity in school outcomes.

It recommended that governments focus on ensuring that all students achieve basic levels of literacy and numeracy and reducing achievement gaps between different groups of students.

This will require increased funding of public schools to 100 per cent of their SRS.

Trevor Cobbold is the convenor of Save our Schools Australia. The opinions expressed in this article are those of the author and do not necessarily reflect any official policies or positions of the AEU or the SSTUWA. This article was first published on the Save our Schools Australia website and has been reproduced here with permission. For article sources visit bit.ly/3ywtgVJ

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