Fully funded public schools more than pay for themselves: new report



A new report published by The Australia Institute's Centre for Future Work reveals the economic payoff of fully funding public schools would be two to four times the annual cost.

Released today, the report says that funding public schools to 100 per cent of the Schooling Resource Standard (SRS) requires an additional $6.6 billion per year but would deliver long term economic and fiscal benefits of between $17.8 billion and $24.7 billion a year.

The returns would come from a combination of factors: lifting Year 12 completion rates with the financial and social benefits that brings to individuals and the economy, along with higher direct employment levels and increased economic activity. The additional costs to governments would be entirely offset by higher revenue and reduced social spending with the benefits increasing over time.

The report concludes that funding schools to 100% of the SRS, which is the minimum level governments say they need, must be *"seen as a long-run investment, that will drive improved economic, social and fiscal performance for all sectors of the economy - including government*".

AEU Federal President Correna Haythorpe said public schools should be fully funded by 2028.

"This research shows fully funding public schools will payoff for our kids and our country," she said.

"Fully funding public schools is the only way to ensure that every child has every opportunity to succeed.

"Right now, only 1.3% of public schools are funded to the SRS and this must change when the Albanese government negotiates new school funding agreements with state and territory governments in the next 12 months."

The report finds year 12 graduates earn $10,000 a year more than early school leavers, a 21% wage premium that to leads to over $400,000 in additional lifetime income. School graduates are more employable and productive in the modern economy along with being healthier and less likely to rely on income supports and other social programs.

It states that the primary motivation for fully funding public schools should be to enhance the life chances of students, reduce economic inequality and segregation and break the link between disadvantage and poor outcomes.

But governments must also consider the *"significant and far reaching benefits of stronger public education for economic activity, future productivity and earnings and the long-run health and wellbeing of our communities."*

It adds that "*hard economic arguments for improving public school funding and meeting the minimal benchmarks for school resourcing established in the SRS, should cement the case for providing adequate resources to Australian public schools".*

Ms Haythorpe said that as part of the new For Every Child campaign the AEU has released a national plan setting out the case for full funding and the top priorities for additional investment, including smaller class sizes, a permanent small group or individual tutoring program in every public school and additional support for students with a disability or behavioural issues.

Authorised by Sally Dennis, General Secretary, The State School Teachers' Union of W.A.
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