

School Funding - Federal Labor's 'Your Child our Future' Plan

January 2016

On the 28 January the Hon Bill Shorten MP announced the 'Your Child our Future Plan for Australian Education'. The plan commits a Shorten Labor government to

- Implementing the Gonski agreements in full,
- Provide long-term funding certainty so schools, principals and teachers can focus on improving outcomes for their students, and
- Enforce transparency and accountability measures to federal investment actually reaches classrooms and drives evidence-based improvements in teaching and learning targets in school education.

The plan requires an additional investment in the education system of \$4.5 billion over 2018 and 2019 and a total provision of \$37.3 billion for the package over the decade.

The Hon Bill Shorten's media release is available [here](#).

Reforms

To drive this reform, a Shorten Labor government will set clear targets in school education, including:

By 2020

- 95 per cent Year 12 completion
- All STEM teachers in secondary schools will have a relevant tertiary qualification
- All students will study maths or science to Year 12
- Digital technologies and computer science is taught in every primary and secondary Australian school

By 2025

- Returning Australia to the top five countries in reading, maths and science
- Meeting the OECD definition of a high quality and high equity schooling system
- Ensuring that all schools have the opportunity to engage with at least one school in Asia, including online, and that every Australian student will have the opportunity to undertake a continuous course of study in an Asian language or culture throughout their years of schooling.

The plan outlines that federal Labor expects that States and Territories will honour their funding obligations in accordance with existing Gonski agreements. In addition further funding will be provided for those jurisdictions that were not signatories to the original agreements – Queensland, Western Australia and the Northern Territory.

A Shorten Labor government has also committed to providing \$320 million from 2017 in additional funding to the More Support for Students with Disabilities program.

Financial implications

To ensure these reforms are permanent and ongoing, a Shorten Labor will provide \$37.3 billion for the package over the decade from 2015-16 to 2025-26. This is inclusive of Labor's commitment to fund

years five and six of the Gonski reforms.

This funding will be offset, over the forward estimates and the medium-term, through taxation revenue from multinational companies, reduction in superannuation tax concessions, increasing tobacco excise, ceasing the Emissions Reduction Fund, and cancellation of the Liberals government's Baby Bonus.

More information is available on the Labor's Plan for Education website available [here](#).

History of Gonski Reforms

Former Prime Minister Julia Gillard outlined the 'National Plan for School Improvement' also known as the Gonski Reforms in an address to the National Press Club on Monday 3 September 2012.

The Plan incorporated key recommendations of the Gonski Review. Including:

- A new way of funding schools, which will include a benchmark amount called a Schooling Resource Standard (SRS) for every Australian student, based on the costs of schools currently receiving the best results.
- More training for teachers and principals and ongoing professional development and support for them throughout their careers.
- A School improvement Plan for every school, developed in consultation with the school community, to help each school improve their results.
- Extra support for the students most in need through publically funded 'loadings' paid in addition to the SRS for students with a disability, Indigenous students, students from lower income families and students with limited English skills, as well as additional funding for rural and remote schools..
- More information for parents and the community about school performance via the MySchool website. [include link to myschool]

At the time the plan was announced it was estimated that, when fully implemented, the plan would require an additional \$6.5 billion investment in total school funding per year.

The Hawker Britton Occasional Paper on the Gonski reforms is available [here](#).

Funding Model

On Sunday 14 April 2013 Former Prime Minister Gillard announced the proposed model for funding the National Plan for School Improvement.

Under the proposed model the Federal Government was to pay 65 per cent of the additional investment needed to fund all schools properly and reach the goals outlined in the Plan.

Under the model, schools across the country were to benefit from an extra \$14.5 billion in public investment over the next six years, \$9.4 billion of which will be Commonwealth funding.

The extra investment brought the total public funding for schools to \$49.5 billion a year on average, over the six years.

Under the Gillard Government's proposal, this additional funding was to include:

- \$5 billion for NSW
- \$4 billion for VIC
- \$300 million for WA
- \$600 million for SA
- \$400 million for TAS
- and \$300 million for NT

The funding model also proposed a more stable indexation of school funding. The Gillard Federal Government committed to annual growth in school education spending of 4.7 per cent – provided States and Territories committed to grow their own school budgets by 3 per cent a year.

Based on the proposed funding model, the SRS or per student amount for 2014 was \$9271 for primary school students and \$12,193 for secondary school students. These were based on the average costs of high performing schools.

Legislation

On Wednesday 28 November 2012, Prime Minister Julia Gillard introduced the Australian Education Bill 2012 into Parliament.

The Bill enshrines in law the principles of the Gonski Reforms, including the introduction of a new funding model, and commits to the target of Australia being in the top five schooling nations in the world for reading, science and maths by 2025.

The Bill passed both houses on the 26 June 2013. The bill came into effect on 1 January 2014, with a transition period to give schools and systems time to adjust.

The Bill and its explanatory memoranda are available [here](#).

The Gonski Review of School Funding

The Gonski Review of school funding in Australia was released on Monday 20 February 2012.

The review was commissioned by then Minister for Education Julia Gillard on behalf of the Government in 2010.

The Review covered funding for both government and non-government schools, and was the first comprehensive review of school funding since 1973. The review was undertaken between 2010 and 2012 by a panel of six eminent Australians, led by David Gonski.

The full report of the Gonski Review is available [here](#).

Review Recommendations

The Gonski Review noted two significant weaknesses in the current Australian school system.

- The first is that over the last decade, the performance of Australian students and Australian schools has declined across all sectors.
- The second is that there is a significant gap between the highest and lowest performing students in Australian schools. This performance gap is far greater in Australian schools than it is in many other OECD countries, particularly those with high-performing schooling

systems. The review noted what is described as an “unacceptable link” between low levels of achievement and educational disadvantage, particularly among students from low socioeconomic and Indigenous backgrounds.

To address these weaknesses, the Review proposes a more equitable schooling system that prioritises support for its lowest performing students. The major recommendation of the review is the introduction of a Schooling Resource Standard (SRS).

The SRS would form the basis for general recurrent funding for all students in all schooling sectors; consist of separate per student amounts for primary school students and secondary school students and provide loadings for the additional costs of meeting certain educational needs.

These loadings would take into account socioeconomic background, disability, English language proficiency, the particular needs of Indigenous students, school size, and school location; be based on actual resources used by schools already achieving high educational outcomes for their students over a sustained period of time; recognise that schools with similar student populations require the same level of resources regardless of whether they are located in the government, Catholic or independent school sectors; and be periodically reviewed every four years so that it continues to reflect community aspirations and, in between reviews, be indexed using a simple measure that is based on the actual increase in costs in schools already achieving the relevant high educational outcomes over a sustained period of time.

This SRS, consisting of a set investment per student amount, plus additional loadings, would represent the total resources required by a school to provide its students with the opportunity to achieve high educational outcomes over a sustained period of time.

The set SRS amount will be determined based on the current level of funding per student at the top performing schools across the country. This will represent a significant increase in overall school funding, which the Review Panel believes is a necessity.

The level of government funding to non-government schools will be determined based on the anticipated level of a school’s private contribution.