



Senator the Hon Simon Birmingham

Minister for Education and Training

Senator for South Australia

Our Ref MC16-005988

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Mayor Troy Pickard
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

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Dear Mayor Pickard

Thank you for your letter of 29 August 2016 regarding the resolution forthcoming from the June 2016 National General Assembly of Local Government.

The Australian Government places a high priority on education and providing equal educational opportunities to all Australian students. Under the *Australian Education Act 2013* (the Act) the Commonwealth Government is contributing a record \$73.6 billion in total funding to Australian schools over the Budget and Forward Estimates (2016–17 to 2019–20). This is a growth of \$4.1 billion, a 26.5 per cent increase between 2015–16 and 2019–20 with current estimates showing funding for government schools increasing by 33.0 per cent.

This funding is in addition to the funding for schools provided by state and territory governments. States and territories are constitutionally responsible for the quality of school education in their jurisdictions and are also the major funder of schools, providing around 66 per cent of total public funding in 2014.

It is important to note that Commonwealth school funding has continued to grow over the last decade at a much faster rate than state funding. On a per student basis over the period 2004–05 to 2013–14, Commonwealth funding for government schools has increased in real terms by 66.1 per cent and for non-government schools has increased by 18.0 per cent. Over the same period, state and territory funding has grown by only 6.7 per cent and 12.3 per cent respectively. In some cases, state funding to schools has actually declined by cost-shifting to the Commonwealth.

The Commonwealth Government does not control the amount of public funding a government school receives. States and territories distribute their funding, and the funding they receive from the Commonwealth Government, to their government schools according to their own allocation models. This approach recognises that schools and school systems are best placed to understand the individual needs of students and budget accordingly.

While the model proposed by the 2011 *Review for Funding for Schooling* (the ‘Gonski’ review) was necessarily complex, the complexity of the funding arrangements under the Act, which were developed following the review, was compounded by outcomes negotiated by the previous government with the states and territories and non-government sector. These deals and special arrangements seriously undermined the integrity of the needs-based funding model, including entrenching historical inequities and introducing deals outside the recommendations of the review. They also resulted in funding arrangements that lack transparency and are not easily understood by the schooling sector.

As one of the architects of the Gonski review, Dr Ken Boston, highlighted recently, “In the run-up to the 2013 election, Prime Minister Kevin Rudd and Education Minister Bill Shorten hawked this corruption of the Gonski report around the country, doing deals with premiers, bishops and the various education lobbies.”

The Government is committed to ensuring future funding for schools is really needs-based.

In addition, importantly it believes increased Commonwealth Government funding should be used to drive real evidence based reforms to improve the quality of education.

These reform priorities will be determined through consultation with states and territories, the non-government school sector, teachers, school leaders and the community. The Government’s *Quality Schools, Quality Outcomes* approach sets out a comprehensive policy reform agenda underpinned by the following principles:

- focus on what makes the difference—ensure future funding investments are targeted to the things that evidence shows make the most difference for students
- support those who need it most—ensure that students who need it are able to access the support they need to succeed and that teachers are equipped to tailor their teaching practice to individual student need
- ensure students are equipped for a globalised world—ensure that young people are leaving school with the skills they need to succeed in the workplace, further education and as active and involved citizens
- increase accountability through transparency—ensure that students, teachers, parents and the community are able to access information about how students and schools are performing, what funding is being spent on and support the sharing of information about what works to improve outcomes.

From 2018, the Commonwealth Government will require states and territories to at least maintain the real level of their ‘per student’ funding effort and growth, with a focus on improved student outcomes.

More information on the Commonwealth Government’s school funding and reform priorities is available at www.education.gov.au/quality-schools-quality-outcomes.

Thank you for bringing this matter to my attention.

Yours sincerely



Simon Birmingham