

## Chapter 6

### Funding arrangements following the 2013 federal election

6.1 The Abbott Government's Students First policy on school funding was originally outlined in the Coalition policy document *The Coalition's Policy for Schools: Students First*, published in August 2013. The policy is focussed on four keys areas:

- Teacher quality;
- Principal autonomy;
- Engaging parents in education; and
- Strengthening the curriculum.<sup>1</sup>

6.2 The Students First policy document, while it argues that 'more money is not necessarily the only solution for better education outcomes'<sup>2</sup> also asserts that 'there will be no cut to school funding under a Coalition government.'<sup>3</sup> The Coalition went into the 2013 election with the commitment that it would honour the agreements that the Rudd/Gillard Governments had entered into, match its funding offers, ensure that no school would be worse off; and to remove some of the conditions that the Rudd/Gillard Governments had attached to its funding for school education under the NERA.<sup>4</sup>

6.3 The then Leader of the Opposition stated in a press conference on 2 August 2013 that:

The essential difference between Labor and the Coalition going into the coming election is not over funding, it's over the amount of control that the Commonwealth Government should have. Under the Coalition, you'll get the funding but you won't get the strings attached so what I want to say today is that as far as school funding is concerned, Kevin Rudd and I are on a unity ticket. There is no difference between Kevin Rudd and myself when it comes to school funding.<sup>5</sup>

6.4 At the same press conference the then Shadow Minister for Education stated that:

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1 Commonwealth Department of Education, *Students First*, <http://www.studentsfirst.gov.au/>.

2 'The Coalition's Policy for Schools: Students First' p. 2.

3 'The Coalition's Policy for Schools: Students First' p. 2.

4 The Hon Tony Abbott MP, Leader of the Opposition, Transcript of press conference, 2 August 2013.

5 The Hon Tony Abbott MP, Leader of the Opposition, Transcript of press conference, 2 August 2013.

...we will adopt exactly the same funding envelope as Labor over the forward estimates so that school principals and parents, that school systems, states and territories can plan from 2014 and onwards knowing that they will attract exactly the same funds whether they are in the new model or out of the new model that Labor would have given them if the school system had gone ahead as planned.<sup>6</sup>

6.5 This chapter outlines the Abbott Government's school funding policy so as to provide matching information to that contained in the previous chapter for the Rudd/Gillard Governments. Chapters 7 and 8 then discuss the effect of the changes between the Students First policy and the NPSI. The information presented in this chapter is current at the time of writing.

### **Implementing the Abbott Government's school funding arrangements**

6.6 It is clear from public statements made following the 2013 election that the new Abbott Government has shifted its position on the school funding model:

- At first, on 17 November 2013 the Abbott Government committed to the previous government's new school funding model from 2014 to 2017;
- On 26 November 2013, the Minister for Education then announced that the new school funding model would only be implemented for 2014 and a new school funding model would be developed for implementation from 2015.
- The following day on 27 November 2013, the Abbott Government announced that an additional \$230 million would be provided to the Northern Territory, Queensland and Western Australia for 2014. This funding equated to the amount that these jurisdictions would have received had certain National Partnerships (NPs) for schools continued. The 2013-14 Budget 'redirected' \$2.1 billion from five NPs that were previously provided for in the forward estimates to defray the costs of implementing the new school funding model
- Finally on 2 December 2013, the Abbott Government reverted to its original post-election commitment to maintain previous government's school funding model over the next four years.<sup>7</sup>

### **Level of funding**

6.7 In relation to the level of Commonwealth funding for schools, as noted above the Abbott Government has committed to 'maintaining the same funding envelope as Labor over the forward estimates'.<sup>8</sup> The Minister for Education, the Hon Christopher

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6 The Hon Christopher Pyne MP, Shadow Minister for Education, Transcript of press conference, 2 August 2013.

7 The Hon Christopher Pyne MP, Minister for Education, 'Sky News – interview with Peter Van Onselen and Paul Kelly', transcript, 17 November 2013  
[http://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/2848533/upload\\_binary/2848533.pdf;fileType=application/pdf#search=%22pyne%22](http://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/2848533/upload_binary/2848533.pdf;fileType=application/pdf#search=%22pyne%22) (accessed 5 February 2014).

8 The Hon Christopher Pyne MP, Minister for Education, 'Coalition to put more funding into schools', Media Release, 27 November 2013.

Pyne MP, has stated numerous times that 'matching' funding allocated by the Rudd/Gillard Governments means that school funding be guaranteed until 2017; the Abbott Government will not match the Rudd/Gillard Governments' school funding for years five and six of NPSI.<sup>9</sup> The issue of uncertainty resulting from the change in funding from a six year to a four year model is discussed further in Chapter 8.

6.8 As mentioned earlier, the Abbott Government has also committed to provide the non-participating jurisdictions—Queensland, Western Australia and the Northern Territory—with \$1.2 billion in addition school funding over four years.<sup>10</sup> According to advice provided by the Department of Education, Tasmania is also considered a non-participating state as the previous Tasmanian Government did not complete the requirements necessary under the *Australian Education Act 2013*.<sup>11</sup> The status of the agreement signed by the Victorian Government, which also failed to progress to a bilateral agreement stage, is uncertain, based on evidence available to the committee.

## **New Commonwealth funding model**

### ***Loadings for disadvantage***

6.9 The Abbott Government has indicated that the disadvantage loadings for students with disabilities, indigenous students and small and remote schools, (and also, presumably, the loading for students from non-English speaking backgrounds) will be delivered over the next four years.<sup>12</sup> As discussed in Chapter 5, at present the reviews of loadings and indexation specified under the NERA are being progressed. Discussion of the effect of uncertainty of funding, particularly as it relates to students who would benefit from the disability loading, is in Chapter 8.

### ***'Command and control features'***

6.10 As noted above, the Abbott Government has indicated any new funding model would '[get] rid of the prescriptive command and control features [from the *Australian Education Act 2013*] that removed authority for schools from States, Territories and the non-government sector'.<sup>13</sup>

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9 'School funding: Education Minister Christopher Pyne defends handling of Gonski policy', *ABC news*, 3 December 2013, [www.abc.net.au/news/2013-12-02/pyne-defends-handling-of-gonski-school-funding-policy/5130148](http://www.abc.net.au/news/2013-12-02/pyne-defends-handling-of-gonski-school-funding-policy/5130148).

10 The Hon Tony Abbott MP, Prime Minister, and the Hon Christopher Pyne MP, Minister for Education, 'A fairer funding agreement for schools', Media Release, 2 December 2013.

11 Document tabled by Mr Tony Cook, Associate Secretary, Department of Education at the public hearing in Canberra on 16 May 2014: Minister Pyne's letters to states and the Northern Territory in regards to school funding allocation.

12 The Hon Tony Abbott MP, Prime Minister, answer to question without notice, 3 December 2013.

13 The Hon Christopher Pyne MP, Minister for Education, Transcript – Press Conference, Adelaide, 28 November 2013.

6.11 The foreshadowed amendments to the Act will affect all jurisdictions regardless of whether or not they had signed the NERA. However, the Abbott Government's stance on this matter appears to be ambivalent.

6.12 On the one hand, the Prime Minister has stated that he suspected that 'NSW and Victoria will be happy to lose the Canberra command and control elements of those deals' and, on the other, the Minister for Education has commented:

"There was conditionality attached to that of course, that won't apply to Western Australia, the Northern Territory and Queensland and we would expect the signatory states to keep the promises that they've made, but at the end of the day, that is a matter for those sovereign jurisdictions."<sup>14</sup>

6.13 A bill seeking to amend the Act will be introduced during 2014.<sup>15</sup> The Department of Education advised the committee that the government has written to states and territories, non-government sector groups, principal associations, and parent associations in regards to the proposed changes to the legislation.<sup>16</sup> A copy of the letter regarding the proposed amendments was provided in answer to a question on notice.<sup>17</sup> Mr Cook of the Department of Education outlined the next steps to be taken:

I would anticipate we would be asking the states and territories and other non-government sectors and interested bodies to provide us with effectively submissions—some of that is already available to us; the states and territories have written back to us in relation to some of those things. There is also information that was available last year where some particular states had concerns around aspects of the act and provided that information to us, and so when that information is collated we will obviously provide advice to government in relation to that.<sup>18</sup>

6.14 Further discussion of the proposed amendments, particularly as they relate to the removal of the "command and control" mechanisms, is in Chapter 8.

### ***No requirement for States and Territories to maintain or increase funding***

6.15 Apart from removing some of the accountability provisions in the *Australian Education Act 2013*, there is another significant difference from the previous government's model: there is now no mechanism to ensure co-contribution from the

14 The Hon Tony Abbott MP, Prime Minister, and the Hon Christopher Pyne MP, Minister for Education, 'A fairer funding agreement for schools', Media Release, 2 December 2013.

15 Senate Standing Committee on Education and Employment, Answers to Questions on Notice, Education Portfolio, Supplementary Budget Estimates 2013-14, Department of Education, Question ED0020\_14  
[http://www.aph.gov.au/~media/Estimates/Live/eet\\_ctte/estimates/supp\\_1314/answers/ED0020\\_14.ashx](http://www.aph.gov.au/~media/Estimates/Live/eet_ctte/estimates/supp_1314/answers/ED0020_14.ashx).

16 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 13 March 2014, pp 16–17.

17 See attachment A to Department of Education, answer to question on notice (no. 5), 13 March 2014.

18 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 13 March 2014, pp 16–17.

Northern Territory, Queensland or Western Australia. The AEU expressed its concern in the following manner:

The failure of negotiations between the Commonwealth and the jurisdictions of Queensland, Western Australia and the Northern Territory to reach six year Gonski funding agreements prior to the election of the Abbott Government in 2013 has been exploited by the new government. It has made separate short-term accommodations with those governments for additional funding, although at much lower levels than was previously on offer. and without any conditions - co-contribution, maintenance and indexation of funding effort, and distribution according to school and student need – attached, which is tantamount to writing a blank cheque.<sup>19</sup>

6.16 Media reports confirm this position, with the *Sydney Morning Herald* reporting that:

”Mr Abbott promised on Monday that he would stick to the exact terms of the deals already struck with NSW, Victoria and Tasmania, but suggested the new deals struck with Western Australia, Queensland and the Northern Territory would come with no requirements that the states and territory guarantee funding.

“We would certainly regard it as very poor form for the states to reduce their funding because they're getting extra funding from the Commonwealth,” Mr Abbott said. “[But] we don't want to micromanage the states. We don't want to try to run public schools out of Canberra, and that was the problem with the original deal that the former government did.”<sup>20</sup>

6.17 The Abbott Government has qualified its original pre-election commitment that no school would be worse off under the new arrangements. What has now entered its parlance is that no school will be worse off 'from anything that the Commonwealth does'.<sup>21</sup>

6.18 Chapter 3 notes that in writing to non-participating states in December 2013, the Minister for Education advised of the Abbott Government's intention to amend the command and control aspects of the *Australian Education Act 2013*. The minister also advised that it was his 'expectation that your [state/territory] Government would continue its funding effort across schools [in the relevant state or territory] through the forward estimates period'.<sup>22</sup>

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19 Australian Education Union, *Submission 25*, p. 6.

20 Jonathan Swan, 'Gonski reversal: Tony Abbott backflips, puts \$1.2b into schools', *The Sydney Morning Herald*, 2 December 2013, <http://www.smh.com.au/federal-politics/political-news/gonski-reversal-tony-abbott-backflips-puts-12b-into-schools-20131202-2yl79.html>.

21 The Hon Tony Abbott MP, Prime Minister, and the Hon Christopher Pyne MP, Minister for Education, 'A fairer funding agreement for schools', Media Release, 2 December 2013.

22 Document tabled by Mr Tony Cook, Associate Secretary, Department of Education at the public hearing in Canberra on 16 May 2014: Minister Pyne's letters to states and the Northern Territory in regards to school funding allocation. Emphasis added.

6.19 Discussion of the problems regarding transparency of state funding and accountability of states for implementing needs-based funding is in Chapter 8.

### ***Review of funding model***

6.20 As noted in Chapter 5, the Department of Education has advised that the reviews of indexation and loadings specified in the NERA for participating states will progress in accordance with that agreement.

### ***Status of reforms proposed under the National Plan for School Improvement***

6.21 As noted above, there is considerable confusion regarding the status and the implementation of funding under the agreements reached between the Rudd/Gillard Governments and the States and Territories. Participating states reacted angrily to Minister Pyne's announcements in regards to changes to school funding policy. For example New South Wales Education Minister Adrian Piccoli argued that the Abbott Government had 'plunged education across the country into unnecessary uncertainty'.<sup>23</sup> Minister Piccoli's view was that in the 'war' between states and the Australian Government, the Gonski reforms and the NPSI had been a 'peace treaty':

Mr Piccoli added the Gonski plan had ended the war between government and non-government schools over funding.

"For six months we've had peace in terms of that argument but unfortunately the actions by the Commonwealth have now reignited that."<sup>24</sup>

6.22 That there had been consensus around the implementation of the NPSI was made abundantly clear by the reaction of the State and Territory Governments post-September 2013. Former Tasmanian Minister Nick McKim described it as:

"Here's a unity ticket for you right here - a Labor minister, a Greens minister, National ministers, Liberal Party ministers, sticking up and unified behind Australian schools and behind funding certainty for Australian schools,"<sup>25</sup>

6.23 During Budget Estimates on 4 June 2014, the Australian Department of Education advised that the lifetime of the agreements signed with participating states is six years. However, although the Abbott Government has agreed only to provide funding for four years, there has been no approach to the participating states to change or amend the agreements.<sup>26</sup> Mr Cook made clear during Budget Estimates that the

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23 'States say Christopher Pyne has dropped public schools bombshell in heated education meeting', *ABC news*, 29 November 2013, [www.abc.net.au/news/2013-11-29/pyne-drops-education-overhaul-bombshell-on-states-during-heated/5124968](http://www.abc.net.au/news/2013-11-29/pyne-drops-education-overhaul-bombshell-on-states-during-heated/5124968).

24 'States say Christopher Pyne has dropped public schools bombshell in heated education meeting', *ABC news*, 29 November 2013.

25 'States say Christopher Pyne has dropped public schools bombshell in heated education meeting', *ABC news*, 29 November 2013.

26 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 96.

Abbott Government's intention to fund only the first four years of the agreement meant that 'in relation to the CPI [indexation post-2017]...[t]hose figures will not match what is in the heads of agreement in relation to years 5 and 6 in 2017 and 2018.'<sup>27</sup>

6.24 The 2014-15 Federal Budget noted in relation to years five and six funding that:

...final State allocations for the 2018 school year are subject to formal negotiations between the Commonwealth and the States and Territories and the non-government sector.<sup>28</sup>

6.25 According to the Department of Education 'the bilateral agreements made between the Commonwealth and each of New South Wales, South Australia and the Australian Capital Territory remain in place.'<sup>29</sup> At Budget Estimates, Mr Cook anticipated that 'the formal negotiation [between states and the Australian Government] would include discussions in relation to existing agreements.'<sup>30</sup> Mr Cook explained that, as part of the department's consultation process on the proposed amendments to the *Australian Education Act 2013*, states and territories had discussed the agreements:

...there are certain things that certainly the parties are now saying they want to change in relation to requirements around the NERA, the heads of agreement in relation to the act and the regulatory burden it places on them. They do not necessarily want to keep the agreements.<sup>31</sup>

6.26 When asked to provide further information in summary of the concerns regarding the NERA, the department submitted:

Following the receipt of all submissions, the department will prepare issues papers to inform more detailed discussions at consultation sessions with peak stakeholders in August 2014. Initial drafting of possible legislative amendments will occur later in 2014 for discussion with peak stakeholders as part of a third and final phase of consultations. This timeframe enables

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27 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 97.

28 Budget 2014-15, Budget Paper 3, Part 2: Payments for Specific Purposes, Education. [www.budget.gov.au/2014-15/content/bp3/html/bp3\\_03\\_part\\_2c.htm](http://www.budget.gov.au/2014-15/content/bp3/html/bp3_03_part_2c.htm)

29 Department of Education, Answer to question in writing No. 8, public hearing 16 May 2014.

30 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 97.

31 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 97.

considered consultation by stakeholders and sufficient time to draft amendments with a view to tabling legislation in 2015.<sup>32</sup>

6.27 Further comment regarding the consultation on the proposed amendments to the *Australian Education Act 2013* is included in Chapter 8.

6.28 The budgets of participating states and territories have revealed some new information about the effect of the Abbott Government's new funding arrangements on contributions at the state and territory level. As noted in Chapters 3 and 5, South Australia has outlined the problems that it will face from the Abbott Government's decision not to fund years five and six. Another clear example of the detrimental effect of the new funding arrangements is from New South Wales. In its 2014-15 budget, the New South Wales State Government stated:

Under the NERA, Commonwealth, state and territory governments agreed to significantly reform and increase funding to education from 2014 to 2019. However, in its 2014-15 Budget the Commonwealth stated its intention to cease additional NERA funding after 2017, and to only index the payments for the last two years at the rate of the CPI, with an allowance for changes in enrolments. This unilateral decision by the Commonwealth Government represents a reduction to New South Wales of \$1.3 billion over the two years 2018 and 2019.<sup>33</sup>

6.29 Finally, it is not clear if all of the reforms proposed as part of the NPSI ('quality teaching', 'quality learning', 'empowering school leadership', 'meeting student need', and 'greater transparency and accountability') will be progressed as planned.

### **Arrangements in non-participating jurisdictions**

6.30 On 2 December 2013, it was announced that the level of Commonwealth funding for non-participating jurisdictions would be calculated using the same arrangements as for participating jurisdictions—therefore, the per student funding component of the Schooling Resource Standard would be nationally consistent. However, as noted above, non-participating States and Territories are not required to guarantee that there will be 'no cuts' to their own funding as they were required to do under the agreements signed with the previous government.<sup>34</sup>

6.31 Non-participating states and territories are Queensland, Western Australia and the Northern Territory. Tasmania too is a non-participating state for the purposes of the *Australian Education Act 2013*. As discussed below, the status of the agreement

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32 Department of Education, answer to question on notice (no. 6), Senate Education and Employment Legislation Committee, Budget Estimates, 4 June 2014.

33 NSW Budget, Budget Paper 2 – Budget Statement, Chapter 6, p. 7-9  
[http://www.budget.nsw.gov.au/\\_data/assets/pdf\\_file/0016/124315/Ch\\_7.pdf](http://www.budget.nsw.gov.au/_data/assets/pdf_file/0016/124315/Ch_7.pdf)

34 The Hon Christopher Pyne MP, Minister for Education, Sky News interview with David Speers PM Agenda: national funding agreement for schools, transcript, 2 December 2013,  
<http://ministers.education.gov.au/pyne/interview-david-speers-sky-news-pm-agenda-national-funding-agreement-schools>.

signed by Victoria is uncertain, at least on the evidence available to the committee at this time.

### *Queensland*

6.32 On 28 January 2014, the Queensland Government announced that it would use the additional funds offered by the Abbott Government to implement its 'Great Results Guarantee' initiative. Under the initiative a funding boost of \$131 million would be provided to all Queensland state schools in 2014.<sup>35</sup> The Commonwealth Minister for Education has announced that the additional funding would be provided 'with no strings attached because we recognise Queensland's education authorities know how to invest in their students' education'.<sup>36</sup>

6.33 Under the 'Great Results Guarantee' initiative all Queensland state schools will receive a share of the funding and enter into an agreement that commits them to guarantee that every student will either:

- achieve the National Minimum Standard for literacy and numeracy for their year level; or
- have an evidence-based plan, developed by the school, in place to address their specific learning difficulties.

6.34 State schools will enter into an agreement with the Queensland Department of Education, Training and Employment, while Independent Public Schools will establish an agreement with the School Council. The agreement will be published on each school's website and schools will have the flexibility and autonomy to decide how the funding should be spent. Student performance will be measured throughout the year and schools will be required to demonstrate how the extra funding is helping to maximise learning outcomes for all students.

6.35 It was announced that all schools will receive their current level of funding plus a share of the \$131 million. Under the guarantee, state primary schools will receive an additional \$99 million with a focus on the early years. On average, primary schools will receive an extra \$508 per student in Prep to Year 2. State high schools will share in an additional \$30 million to be distributed across all year levels, with a particular emphasis on the early years of high school. Special schools will receive an

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35 The Hon Campbell Newman MP, Premier of Queensland, and the Hon John-Paul Langbroek MP, Queensland Minister for Education, Training and Employment, 'Great Results a guarantee for Queensland students', Media Release, 28 January 2014.

36 The Hon Christopher Pyne MP, Minister for Education, 'Targeting school funding where it counts', Media Release, 28 January 2014.

additional \$2 million.<sup>37</sup> The Queensland Government has published a summary of the additional funding to be provided to each school under the initiative.<sup>38</sup>

6.36 However, under its agreement with the Abbott Government, Queensland is not required to guarantee that there will be 'no cuts' to their state funding as they would have been required to do if an agreement had been signed with the previous government.<sup>39</sup>

6.37 In its 2014-15 Budget, the Queensland Government explained how the Australian Government funding would be allocated to schools:

Funding of \$131.3 million from the Australian Government Students First - A fairer funding agreement for schools initiative will continue to be allocated to Queensland state schools to 2014-15 through the Great Results Guarantee. All Queensland State schools, including Independent Public schools, will receive a share of the Great Results Guarantee funding and enter into an agreement that commits them to guarantee that every student will either achieve the National Minimum Standard for literacy and numeracy for their year level or have an evidence-based plan in place to address their specific learning needs.<sup>40</sup>

### ***Western Australia***

6.38 The Western Australian Minister for Education indicated that Western Australia will use the additional funds offered by the Abbott Government for its own needs-based, student-centred school funding model which 'aligns with the Gonski recommendations' and includes base funding plus loadings centred around special needs.<sup>41</sup>

6.39 In evidence, Mr Lincoln Rose, Vice President of the State School Teachers' Union of Western Australian, disputed the State Government's categorisation of its new funding model as 'needs-based':

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37 Queensland Department of Education, Training and Employment, *Great Results Guarantee*, <http://education.qld.gov.au/schools/grants/state/targeted/great-results.html>. See also 'Great Results Guarantee' <http://education.qld.gov.au/schools/grants/resources/great-results-guarantee.pdf> and 'Great Results Guarantee Fact Sheet' <http://education.qld.gov.au/schools/grants/resources/great-results-factsheet.pdf>.

38 Department of Education, Training and Employment, Queensland Government, 'Great Results Guarantee 2014 School Funding', <http://education.qld.gov.au/schools/grants/resources/2014-school-funding-allocation.pdf>.

39 The Hon Christopher Pyne MP, Minister for Education, Sky News interview with David Speers PM Agenda: national funding agreement for schools, transcript, 2 December 2013.

40 Queensland State Budget 2014-15, p. 19, Budget Paper 4 – Budget Measures [www.budget.qld.gov.au/budget-papers/2014-15/bp4-2014-15.pdf](http://www.budget.qld.gov.au/budget-papers/2014-15/bp4-2014-15.pdf).

41 ABC News, 'States put pressure on Coalition to honour original education funding model', 3 December 2013. See also 'Student-centred funding model: Frequently Asked Questions', Department of Education, Western Australian Government, <http://www.det.wa.edu.au/schoolsandyou/detcms/schoolsandyou/schools-and-you/news/student-centred-funding-model-frequently-asked-questions.en>.

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The WA government's new student-centred funding model is supposed to be based on the Teese report. The recent cuts, combined with the refusal to accept the original federal funding offer, ensures the state government's changes are meaningless. By cutting school budgets before implementing the student-centred funding model, the WA government is effectively engaging in sleight of hand. The model was never intended to be implemented with cuts. It will only work properly if there is additional funding, not simply a rearranging of existing, or fewer, funds.<sup>42</sup>

6.40 Mr Rose cited the example of State Government cuts to School Support Program Resource Allocation (SSPRA) funding, which he described as 'money specific for the most vulnerable or disadvantaged students'.<sup>43</sup> His colleague, Miss Samantha Schofield, provided an example of SSPRA funding being used for specific programs:

An example of SSPRA funding is that you might have a reading program that is put in place. SSPRA funding could be about \$30,000 for a very small school. That could equate to about 0.4 of a teacher's workload. That means that you have about three to four hours a week where you have specialised individual attention given to a small group of students. If you have disengaged students, for example, you are able to have, again, a specialist teacher working with those students one on one, perhaps re-engaging them before they go back to a mainstream classroom.

SSPRA also accounts for programs like Getting it Right Literacy and Numeracy. They have been very successful programs in our schools before. Having that funding taken out of our schools denies those kids the ability to reach any further achievement levels, especially in a high school setting—getting beyond year 9, for example.<sup>44</sup>

6.41 Mr Rose listed a number of examples of schools which had had cuts to SSPRA funding:

...Kimberley schools in particular, which is obviously a big issue for needs-based school funding to get the most disadvantaged students the money that they need to at least overcome, potentially, some of the disadvantage that they are born into, which SSPRA funding is there for. For Kununurra District High School, the 30 per cent reduction in SSPRA funding is worth \$196,648 this financial year, which is 2.27 per cent of the school budget. For Halls Creek District High School, the cut to SSPRA funding is \$159,918; that is a 3.07 per cent reduction in their overall school budget. So there is a considerable loss of funding that you can use for staffing and other programs that you could do to overcome the disadvantage. It might be

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42 Mr Lincoln Rose, Senior Vice President State School Teachers' Union of Western Australia, *Committee Hansard*, 29 April 2014, p. 10.

43 Miss Samantha Schofield, Vice President, State School Teachers' Union of Western Australia, *Committee Hansard*, 29 April 2014, p. 11.

44 Mr Lincoln Rose, Senior Vice President State School Teachers' Union of Western Australia, *Committee Hansard*, 29 April 2014, pp. 11-12.

as simple as a breakfast program or staffing for a literacy program—things of that nature.<sup>45</sup>

6.42 Mr Rose contended that the cuts to funding, which form part of the Western Australia Government's implementation of its needs-based, student-centred funding model, meant that the model would fail: '[i]t will not work. There will be no needs based funding in Western Australia any time soon while this system is operating'.<sup>46</sup>

6.43 However, under its agreement with the Abbott Government, Western Australia is not required to guarantee that there will be 'no cuts' to their state funding as they would have been required to do if an agreement had been signed with the previous government.<sup>47</sup>

6.44 In its 2014-15 budget, the Western Australian Government described the Abbott Government's Students First funding as 'NERA-equivalent'. Interestingly, the Western Australian Government noted in its budget that: '[d]etails of the new arrangements [with non-participating states] remain to be clarified'.<sup>48</sup>

### *Northern Territory*

6.45 In December 2013, the Northern Territory Education Minister stated that the additional funds offered by the Abbott Government would not necessarily be used to restore teaching levels or go into the recurrent funding budget. Instead, the additional funding would be used for capital projects and to fund other reforms:

We are certainly intending to use some of the funding which has come to us via the Australian government for additional capital infrastructure costs as well in the Northern Territory. So those decisions are yet to be made by the Northern Territory government.<sup>49</sup>

6.46 In this regard the Department of Education advised that there is a requirement that Commonwealth funding is to be used 'on school education costs':<sup>50</sup>

**Senator Urquhart:** But what does that mean? What is the definition of 'school education costs'?

**Mr Cook:** I think that would be like any government has done in the past. They may use some of that money on buildings, as I understand, but they

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45 Mr Lincoln Rose, Senior Vice President State School Teachers' Union of Western Australia, *Committee Hansard*, 29 April 2014, p. 12.

46 Mr Lincoln Rose, Senior Vice President State School Teachers' Union of Western Australia, *Committee Hansard*, 29 April, pp. 12-13.

47 The Hon Christopher Pyne MP, Minister for Education, Sky News interview with David Speers PM Agenda: national funding agreement for schools, transcript, 2 December 2013.

48 Western Australian State Government Budget 2014-15, Budget Paper 3 – Economic and Fiscal Outlook, p. 110, [www.treasury.wa.gov.au/cms/uploadedFiles/State\\_Budget/Budget\\_2014\\_15/2014-15\\_bp3.pdf](http://www.treasury.wa.gov.au/cms/uploadedFiles/State_Budget/Budget_2014_15/2014-15_bp3.pdf)

49 Mr Ken Davies, Chief Executive, Department of Education, Northern Territory Government, *Committee Hansard*, 4 April, p. 3.

50 See Chapter 8 for further discussion on this issue.

also may use it directly in funding schools. It is a matter for the state. That is correct. That has not changed.

**Senator Urquhart:** Okay. So there is no requirement that any of that money would be used directly on education. One would suspect that—

**Mr Cook:** No, the requirement is that it has to be used directly on education.

**Senator Urquhart:** But, in terms of providing teaching or whatever to students, it actually could be used for other purposes within a school.

**Mr Cook:** My understanding is that it could be used for maintenance in the government sector. That is entirely a matter for the government sector, and that has not changed over the course of history in terms of Commonwealth funding to the states.<sup>51</sup>

6.47 Further, under its agreement with the Abbott Government, the Northern Territory is not required to guarantee that there will be 'no cuts' to their own funding as they would have been required to do if an agreement had been signed with the previous government.<sup>52</sup>

6.48 The Northern Territory's 2014-15 Budget concurs:

Unlike the NERA, the bilateral agreements [signed with Western Australia, Queensland and the Northern Territory by the Abbott Government] do not require states to provide any additional funding as a prerequisite for additional Commonwealth funding, nor do they include the reporting requirements of the NERA.<sup>53</sup>

### ***Tasmania***

6.49 As noted in Chapter 5, due to the beginning of caretaker arrangements during the 2013 federal election campaign, the Heads of Agreement signed by Tasmania was not progressed to the bilateral agreement stage. Subsequently, the Abbott Government deemed Tasmania to be a non-participating state under the *Australian Education Act 2013*. The Minister for Education advised the Tasmanian Government of this in a letter dated 10 December 2013.<sup>54</sup> Abbott Government funding for Tasmania as a non-participating state is:<sup>55</sup>

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51 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, p. 46.

52 The Hon Christopher Pyne MP, Minister for Education, Sky News interview with David Speers PM Agenda: national funding agreement for schools, transcript, 2 December 2013.

53 Northern Territory 2014-15 Budget, Budget Strategy and Outlook 2014-15, p. 54. [www.treasury.nt.gov.au/PMS/Publications/BudgetFinance/BudgetPapers/I-BP02-1415.pdf](http://www.treasury.nt.gov.au/PMS/Publications/BudgetFinance/BudgetPapers/I-BP02-1415.pdf)

54 Document tabled by Mr Tony Cook, Associate Secretary, Department of Education at the public hearing in Canberra on 16 May 2014: Minister Pyne's letters to states and the Northern Territory in regards to school funding allocation.

55 Document tabled by Mr Tony Cook, Associate Secretary, Department of Education at the public hearing in Canberra on 16 May 2014: Minister Pyne's letters to states and the Northern Territory in regards to school funding allocation.

**Table 7—Australian Government school funding provided to Tasmania**

<b>Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Amount</b>	75 689	157 036	169 596	183 534	585 856

**Victoria**

6.50 The Department of Education provided the committee with a chart<sup>56</sup> showing which states and territories had completed the requirements for participation under the *Australian Education Act 2013*. This table shows that along with the three non-participating states whose position had been known prior to August 2013 (Queensland, Western Australia and the Northern Territory), Tasmania and Victoria had not completed bilateral agreements and therefore were not classed as participating states.<sup>57</sup>

6.51 At the Victorian State Budget Estimates on 13 May 2014, the Victorian Minister for Education, the Hon Mr Martin Dixon MP, spoke only of the Heads of Agreement signed in August 2013 and funding relating to that agreement. The minister made no mention of whether the funding received from the Australian Government by Victoria was as per the Heads of Agreement or whether Victoria had been classified by the Abbott Government as a non-participating state:

...The national funding agreement was signed in, I think, early August last year, and that committed the Victorian and the Australian governments to \$12.2 billion of new funding over six years. The Victorian government's share of that is \$5.4 billion over those six years, and we are beginning to deliver that money into our schools this year. This is the first budget since that agreement was signed. There is \$1.2 billion already out there, and there is [\$1.6 billion] of initiatives in this year's budget towards that six-year goal. We know that that is backloaded. Most of the funding comes on stream in the second half, in fact in the last two years, of that six-year agreement. We will certainly do our bit, with guarantees that we will provide the \$5.4 billion over six years that we said we would put on the table, and obviously we will hold the federal government accountable to do its bit in terms of the balance of the money.<sup>58</sup>

6.52 At the committee's public hearing on 16 May 2014, Mr Cook tabled letters pertaining to funding for non-participating states, including Tasmania. However, Mr Cook was unable to provide information regarding Victoria:

What I have done is written to all states and territories and indicated to them what we intended to provide to the committee, and I have asked them

56 Also reproduced in Table 6, Chapter 5.

57 Department of Education, answer to question on notice (no. 1), 18 February 2014.

58 The Hon Mr Martin Dixon MP, Minister for Education, *Parliament of Victoria Public Accounts and Estimates Committee Hansard*, 13 May 2014, p. 5.

if there are any issues we need to be aware of. Four states have come back to us saying that everything is fine. I have those letters to table, including the Tasmanian heads of agreement, but I am still waiting on final responses from a number of states: New South Wales and Victoria—I have the list somewhere. I have four of the eight to date and I am happy to table them.<sup>59</sup>

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59 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, p. 34.