

A Better and Fairer Start for All:

A case for funding all government primary schools to their Schooling Resource Standard as soon as possible

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This work is supported by the AGPPA. It is the position of the AGPPA that all government primary schools should be fully funded at 100 percent of their SRS at the commencement of the next National School Reform Agreement.

Vision

“A world class education system that encourages and supports every student to be the very best they can be, no matter where they live or what kind of learning challenges they may face.”

- **The Alice Springs (Mparntwe) Education Declaration, 2019ⁱ**

ⁱ A declaration and vision signed by all Education Ministers in Australia: <https://www.education.gov.au/alice-springs-mparntwe-education-declaration/resources/alice-springs-mparntwe-education-declaration>

Overview

A nation's investment in education is always an investment in its future. This investment should be made based on the best available knowledge about how to optimise results for all children and the public good.

Since the infamous Coleman Report in 1966, there has been continued significant research into how and “whether public school spending affects student outcomes.”^(1, p.157) The best available knowledge from research to date suggests that adequate funding in education is important for children's educational success.

While adequate funding is important, “the strategies used to allocate and match resources to learner needs are at least as important.”^(2, p.17) Studies repeatedly show that increases in funding have the most impact on student outcomes for more socioeconomically disadvantaged students and for schools that enrol higher proportions of socioeconomically disadvantaged students.⁽³⁾

What has also become clear from continued research, notably including research from Nobel Prize winner James Heckman, but also others, is the importance of investing in the early years. The early years are now universally

recognised as the area in which investment yields the highest rate of human, social and economic returns.^(4,5) Yet in Australia, there is a tendency to invest more in people as they grow older.

The case for funding every government primary school to the Schooling Resource Standard is made using the best available knowledge about how to optimise schooling for all children and the public good in conjunction with the current and projected school funding situation in Australia. The main conclusion is that a wise investment for Australian governments would be funding all government schools to the Schooling Resource Standard as soon as possible, in a way that prioritises the youngest children with the most needs in government primary schools for a better and fairer start for all.

Key Concepts

Educational equity. Students from different student groups achieve similar average education outcomes and a similar range of variation in these education outcomes, all of which are above an adequate threshold.

Educational inequity. A lack of educational equity.

School sectors. In Australia there are three school sectors: government, independent and Catholic. The government sector is the public school sector. Independent and Catholic school sectors are private, non-public school sectors.

Government schools (public schools). Schools in the government sector are government schools. Government schools are mostly non-selective, low fee or free schools. Students must usually reside in a specific school zone to attend the government school in that zone.

Private schools (non-public or non-government schools). Schools in the independent and Catholic school sectors are private schools. Private schools are usually selective with no restrictions on school fees. Students do not have to reside in a particular zone to attend a private school.

School funding by governments in Australia. All schools in all sectors in Australia are publicly funded by Commonwealth and State/Territory governments.

Schooling Resource Standard (SRS). The amount of government funding required to meet students' educational needs has been agreed upon in Australia as the Schooling Resource Standard (SRS).ⁱⁱ

Socioeconomic disadvantaged/advantage or low/high socioeconomic status (SES). Comparative access to family resources and/or other resources (financial capital, social capital, cultural capital and human capital) in relation to others in society; with high SES equated with relatively more access and low SES equated with relatively less.

Socio-educational disadvantage/advantage. The disadvantage or advantage students are likely to have in relation to their school education performance in regard to particular characteristics of their family and school.

NAPLAN. Australia's National Assessment Program – Literacy and Numeracy, an annual assessment for students in Years 3, 5, 7 and 9.

OECD. The Organisation for Economic Co-operation and Development is an international organisation with 38 member countries.

PISA. The OECD's Programme for International Student Assessment measures 15-year-olds' ability to use their reading, mathematics and science knowledge and skills in member and non-member systems every three years.

ii For more information, please refer to: <https://www.education.gov.au/recurrent-funding-schools/schooling-resource-standard>

School funding in Australia

School funding is one of the most frequently debated structural aspects of Australian education. All schools in all sectors are publicly funded by a combination of State/Territory and Commonwealth government funding. The **Schooling Resource Standard (SRS) is the agreed upon amount of government funding required to meet students' educational needs in Australia.**

It has been a well-known and widely accepted fact that access to high-quality education generates significant social and economic benefits and savings experienced throughout society. The vast majority of government primary schools, the bedrock for better and fairer education, are not funded to their SRS. Research at home and overseas shows that those who successfully complete secondary school are healthier, more likely to find steady employment, and less likely to get into trouble with the law.

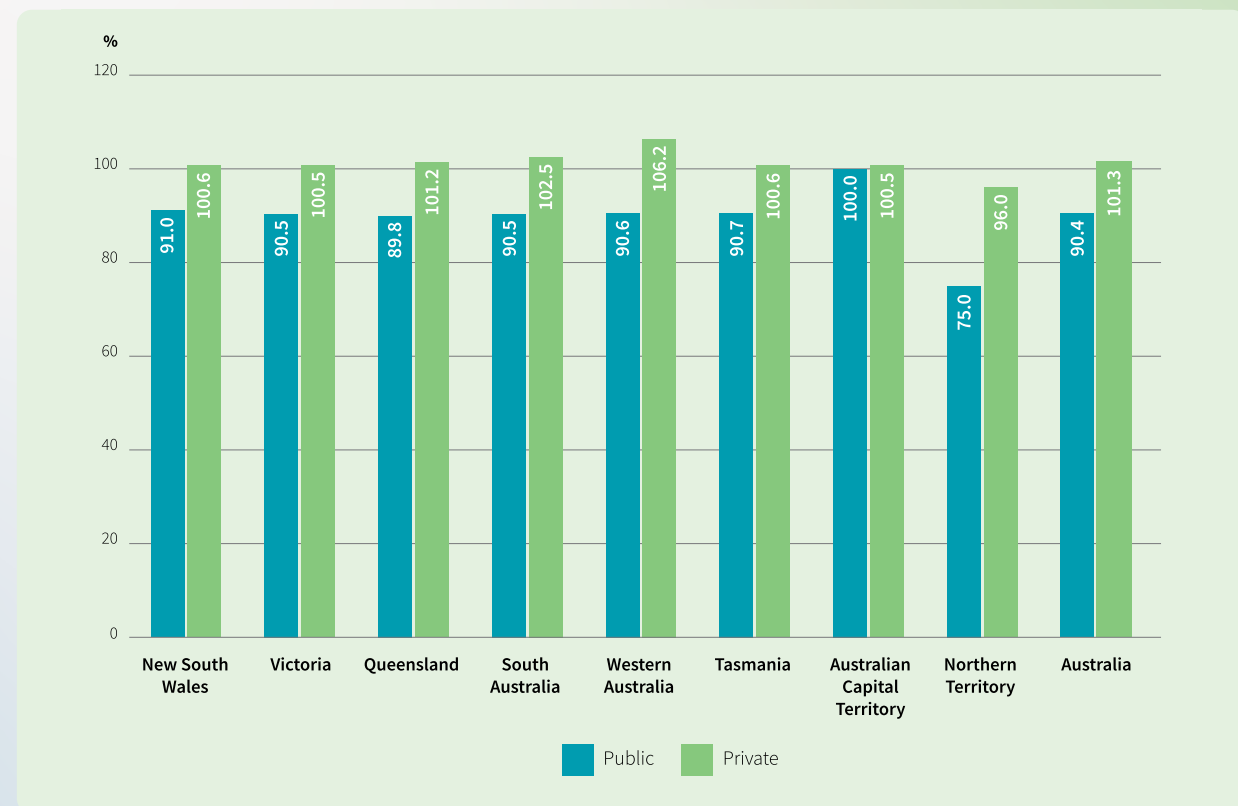
It is true that in Australia we spend more money in education now than ever before. International comparisons show, however, that the publicly financed share of school expenditures in Australia is close to the OECD average. Australian school education is also funded by a relatively high proportion of private money, due to the large number of private school enrolments. This private funding is one-fifth of total funding, while enrolments in private schools amount to almost two-fifths of all students.

This paper focuses on the publicly (government) financed share of school expenditures in Australia.

Current investment by governments in Australian school education

Most government schools are not currently funded by governments to the agreed standard required to meet their students' educational needs; their SRS.^(6,7) Most private schools, however, are funded by governments at or over their SRS.

Figure 1: Total government funding measured as a share of the Schooling Resource Standard (SRS) for public and private schools in 2023 (%)



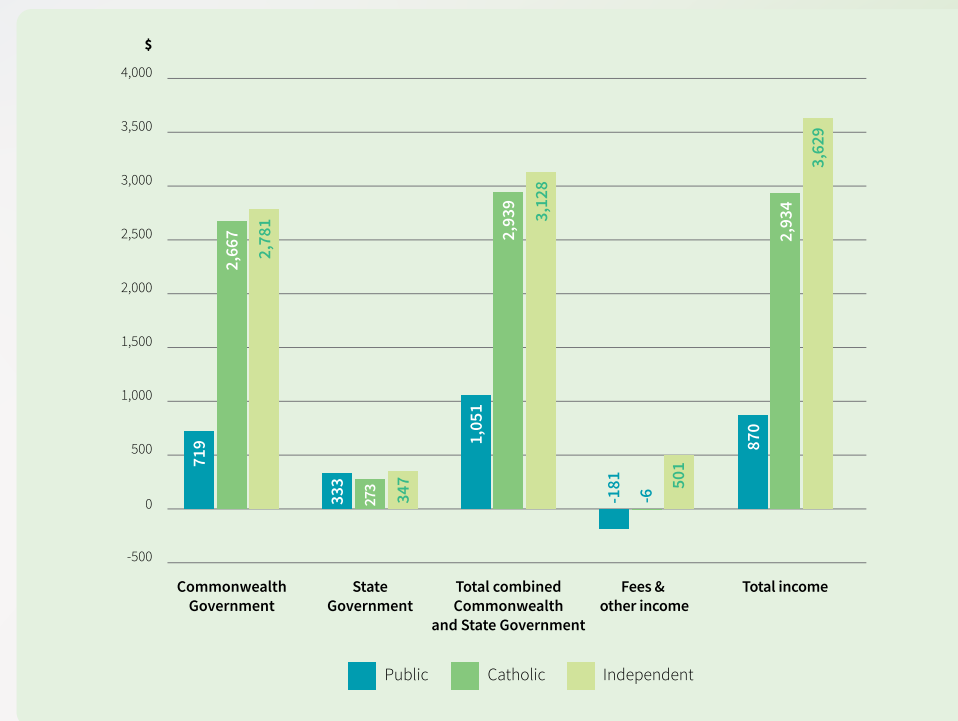
Sources and methodology: Calculations for Figure 1 include funding for the Choice and Accountability Fund and take account of the special provisions in the bilateral funding agreements. For more information, see Annex.

Growing government funding has favoured private schools

Productivity Commission (2023) data show that increases in government funding for education over the past decade have mostly favoured the private school sector over the government school sector. Australia is an outlier among the OECD countries in terms of this funding logic.

For example, an analysis of change in primary school income by source reveals that between 2009 and 2021, government funding per student for private primary schools increased by three times that for government primary schools; or by about \$3,000 per student, adjusted for inflation. By contrast, funding for government primary schools increased by around \$1,000 per student.⁽⁸⁾

Figure 2: Change in primary school income by source from 2009 to 2021, Australia (\$ per student adjusted for inflation)

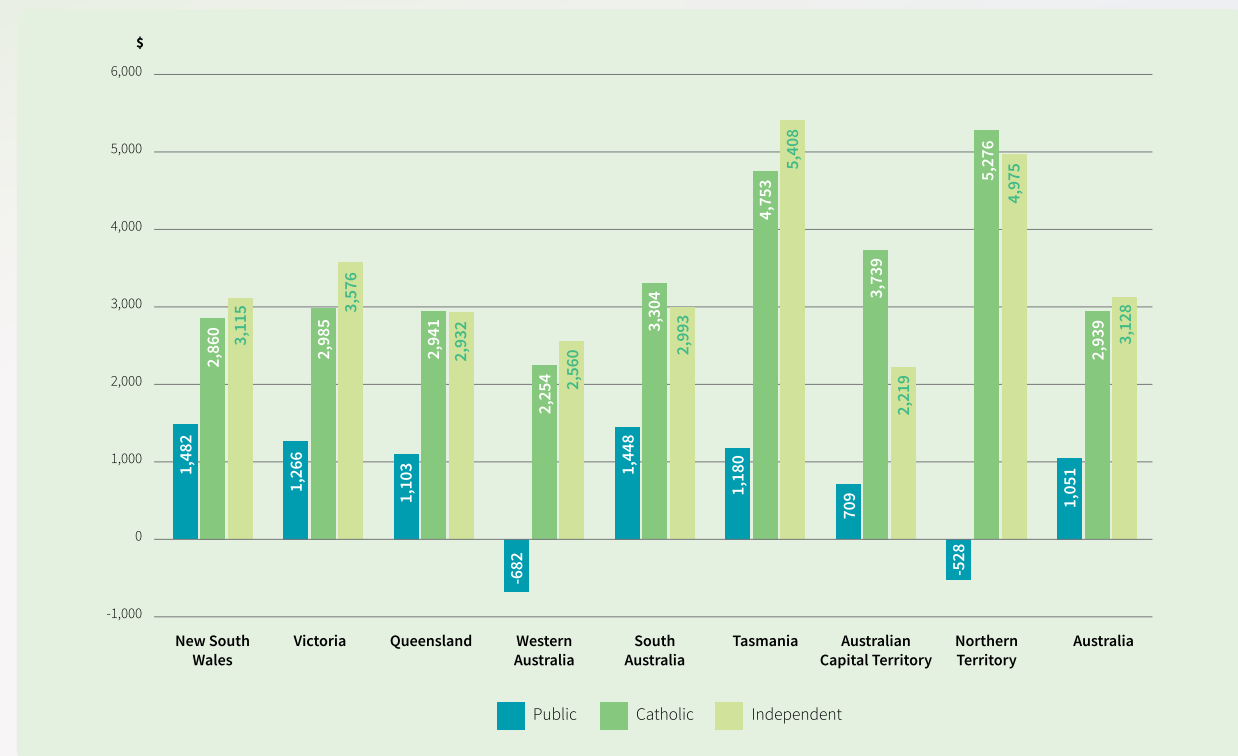


Source: ACARA, National Report on Schooling data portal. The figures are adjusted for inflation by a combined index of the Wage Price Index for Public and Private Education and the Consumer Price Index.

Growing government funding has favoured private schools

Over that same period (2009-2021), total per student government funding in Western Australian primary schools fell by \$682 per student, but increased by \$2,254 in Catholic schools and by \$2,560 in Independent schools. In Tasmania, funding for public schools increased by \$1,180 per student compared to \$4,753 in Catholic schools and \$5,408 in Independent schools. In the Australian Capital Territory, funding for public schools increased by \$709 per student compared to \$3,739 in Catholic schools and \$2,219 in Independent schools. Funding for public schools in the Northern Territory was cut by \$528 per student while funding for Catholic schools increased by \$5,276 and by \$4,975 in Independent schools. Funding for public schools in the Northern Territory was cut by \$528 per student while funding for Catholic schools increased by \$5,276 and by \$4,975 in Independent schools.

Figure 3: Change in total government funding of primary schools per student by State/Territory from 2009 to 2021 (adjusted for inflation).



Source: ACARA, National Report on Schooling data portal. The figures are adjusted for inflation by a combined index of the Wage Price Index for Public and Private Education and the Consumer Price Index.

Disproportionate disadvantage in Australian government schools

Disadvantage is unevenly distributed in the Australian school sectors. Government schools enrol a significantly larger share of socioeconomically disadvantaged students, children who need more special care and support, Aboriginal and Torres Strait Islander students; and others who would most benefit from adequate and additional school funding.

Government schools enrol 65% of Australian children - and over 80% of socioeconomically disadvantaged Australian children.^(9,10) In 2019, for example, government schools enrolled 82% of low SES students; 84% of Indigenous students, 76% of high disability students and 82% of remote area students.

In 2015, 91% of schools with the highest proportion of socio-educationally disadvantaged students (761 schools) and 90% of schools (3049 schools) with medium disadvantage were government schools.⁽¹¹⁾ There are more high and medium socio-educationally disadvantaged students concentrated in government schools than there are high and medium

socio-educational advantaged students in government schools; the reverse is true for the private sector.⁽¹²⁾

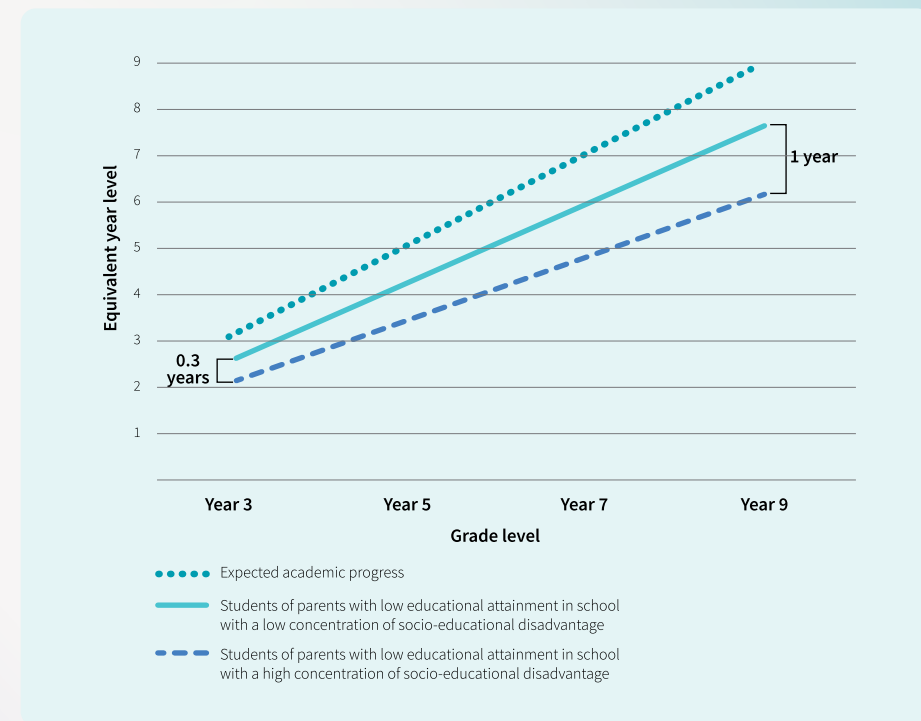
What's more, from 2011-2017 the concentration of socioeconomically disadvantaged students in schools that already enrolled a higher proportion of socioeconomically disadvantaged students increased, to levels greater than most other wealthy nations in the world.^(13,14)

Nearly all Australian children in schools with high and increased concentrations of disadvantage are enrolled in government schools.⁽¹⁵⁾

Student outcomes associated with concentrated disadvantage

Research shows that when socioeconomically disadvantaged children attend schools with high concentrations of other socioeconomically disadvantaged students, their academic progress suffers more than if they were to attend schools with more socioeconomically diverse peers.⁽¹⁶⁾ NAPLAN data show that this is the case in Australia, with consequences for socioeconomically disadvantaged students' academic progress compounding as they progress through school (Figure 4).⁽¹⁷⁾

Figure 4: Student outcomes associated with concentrated disadvantage in Australian schools

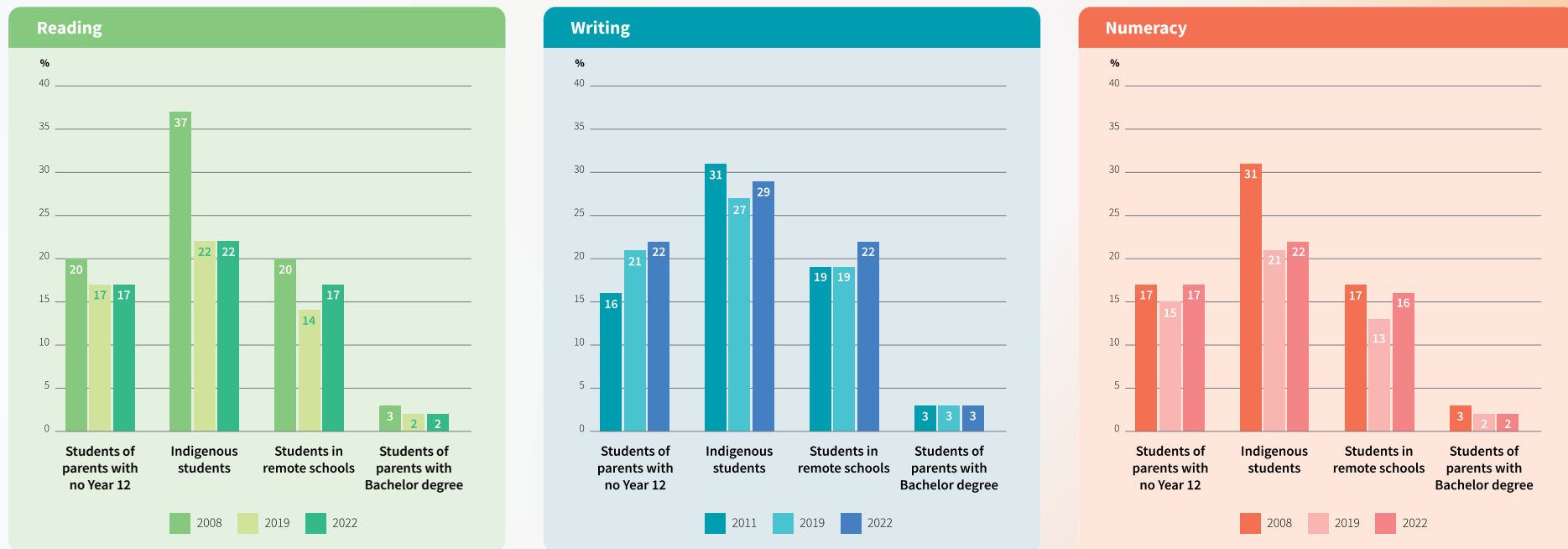


Source: Designed using data from Productivity Commission (2023).

Student outcomes in primary school

While government funding of education in Australia has privileged the more socioeconomically advantaged private school sectors over government public schools, student outcomes that reflect inequity in education have persisted.⁽¹⁸⁾

Figure 5: Percentage of students below national minimum standards on the Year 5 NAPLAN test



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports.

Student outcomes in primary school

There are disproportionate educational outcomes for Australian children from different student groups. For example, students of parents who did not complete Year 12, have Indigenous backgrounds, and reside in remote and rural areas generally have lower achievement outcomes than their peers who are more urban-based, non-Indigenous, and whose parents have a Bachelor degree. These are examples of inequitable student outcomes. It is worth pointing out here again that most of the students with lower achievement outcomes than their more advantaged peers are in under-funded government schools.

Achievement gaps between socioeconomically advantaged and socioeconomically disadvantaged children amount to about two years of learning by Year 5.

Figure 6: Year 5 NAPLAN achievement gaps between high SES and other student groupsⁱⁱⁱ



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports.

Note: The reading and numeracy scores are for 2008, 2019 and 2022; the writing scores are for 2011, 2019 & 2022.

ⁱⁱⁱ It is important to note that the same students can be identified in more than one category of student group.

Student outcomes in primary school

Narrowing the achievement gap by improving education outcomes for more socioeconomically disadvantaged students, who are mostly in government schools, would have positive impacts for all.⁽¹⁹⁾

Australian data clearly show a connection between lower school education outcomes for low SES students and later lower engagement in work, education, or training.⁽²⁰⁾ This often means more reliance on social welfare, public health services and even the criminal justice system. However, with more support (including adequate funding support in government schools) for low SES students, the negative effects for individuals and societies of compounding disadvantage for low SES students can be mitigated.

Narrowing the gap for many indicators, including school education, is a main aim of the 2020 National Agreement on Closing the Gap⁽²¹⁾ between Indigenous and non-Indigenous children; with the aim to improve lifelong outcomes (including health and economic outcomes) for Indigenous Australians, with positive effects for all Australians as well.

A 2018 analysis of NAPLAN data “implies that closing one-third of the gap between rural-remote-regional and urban human capital attainment would increase Australian GDP by 1.1% or \$18.5 billion. Fully closing the gap represents a

\$55.5 billion GDP improvement.”^(22, p. 59) That analysis notes that those figures are specifically in regard to direct effect on wages, and that the “spillover” effect from corresponding “improvements in physical and mental health and enrichment of communities” makes the GDP estimates “quite conservative.”^(23, p.4)

Deloitte projected a \$39 billion increase in GDP from 2016-2076 (in 2016 dollar terms) if student achievement in all Australian schools were to match the “strongest performing schools in Australia.”^(24, p. 74) Deloitte’s analysis also points out that a high quality education for all Australians will be even more important in the future for increasing economic growth.⁽²⁵⁾

The main point is that improving education outcomes for all children, and particularly for children who are not achieving at rates equal to their more socioeconomically advantaged peers, benefits all children and all of society in multiple interconnected ways. This is readily acknowledged already in many Australian government strategies and plans.

A fair start for all

Australia is the country of a “fair go.” Indeed, most Australians agree that all children deserve a quality education, regardless of their circumstances of birth or what school they go to.⁽²⁶⁾ Global evidence provided by the OECD (2022) shows that a quality education is what is best for all children, and best for everyone, in the short term and for significant societal and economic benefits in the long term.⁽²⁷⁾

Most Australians would also likely concede that it would make sense that the earlier a child experiences a quality education, the better set-up they are likely to be for life. Research in education, economics, health, and child development shows this is undeniably the case.^(28,29)

But the state of education in Australia suggests that many are willing to tolerate and perpetuate an unfair start for many Australian children. A recent UNICEF report even found that Australian education is amongst the most unequal in the world across its preschools, primary and secondary schools.⁽³⁰⁾

In short, the current situation is that Australia offers world-class education, but not for all children.

Report after report, and evidence after evidence all point to the reason that this unfortunate situation is the case in such a wealthy nation.^(31,32,33) It is not because of lack of quality teachers or innovative schools, it is well established that it is because Australian school education suffers from a lack of educational equity.

Through equity to educational excellence

Though there are different ways educational equity is understood, it is regularly associated with notions of fairness, inclusion, and social justice. It is also widely accepted to mean that a student's socioeconomic background should not unjustly hinder their educational experiences and outcomes. Equity in education means that all children attain at least a minimum standard of education, and that children from different social groups achieve a similar level and range of outcomes that enables them to be active, informed citizens.

The OECD, for example, states that “equity in education means that access, participation and progression to obtain a quality education are available to all and that personal or social circumstances – such as gender, socio-economical or immigrant background – are not obstacles to achieving educational potential.”^(34, p.16) The Gonski Review panel expressed equity in education as ensuring “differences in educational outcomes are not the result of differences in wealth, income, power or possessions.”^(35, p.105)

To know if equity in education is being achieved or not, we must examine education outcomes. An absolutely equitable education system would feature an adequate education for all and similar outcomes across different social groups. It would mean that all students complete Year 12 or an equivalent vocational or other qualification and that groups of students, such as low SES, Indigenous and remote area students, would have a similar average and range of outcomes as high SES students.⁽³⁶⁾

Yet it is true in Australia and elsewhere that students from more traditionally socioeconomically advantaged backgrounds have disproportionately better education outcomes and richer learning experiences than their more socioeconomically disadvantaged peers. Educational equity is essentially the idea that this should not be the case.

Improving the whole system

High performing education systems are those where all students perform well and where student outcomes have less of a relationship with a student's socioeconomic background. This means that no matter who a student is, where they live, what family they were born into, what school they go to, where they came from, what language they speak, what gender they are, what kind of needs they may have; the education system is able to operate in a way that ensures their success.

When an education system is run in a way that can address a diverse array of student needs, the system is more responsive and more effective. Rather than privileging some, it strives to meet the needs of all. This also makes education systems better and fairer, which in turn, makes their nations more stable, economically prosperous, happy and healthy. Growing evidence suggests more equitable education systems will also be able to navigate our inevitably increasingly complex global futures most successfully.
(37,38)

Due to their interconnectedness, educational equity and excellence have become common priorities in many government strategies to improve education systems.^(39,40,41) Aspirations for what the future of education in Australia might look like are clearly written in the Alice Springs (Mparntwe) Education Declaration.⁽⁴²⁾ The number one goal in that declaration is for the Australian education system to promote excellence and equity.

Money matters for equity in education

Money matters in education, especially for educational equity. There is consensus that **adequate funding is important for all students and schools - and that increases in funding have the most impact on student outcomes for more socioeconomically disadvantaged students and schools.**⁽⁴³⁾

More than adequate funding, however, particularly for more socioeconomically advantaged students and schools does not guarantee improved student outcomes.^(44,45) According to the OECD: “Beyond a certain level of investment, enabling all students to succeed hinges on the ability to direct resources effectively to where they matter the most.”^(46, p.16) This is something the highest-performing education systems have been able to do more so than others.

High-performing education systems tend to allocate resources equitably across all schools.⁽⁴⁷⁾ They also tend to have lower levels of concentrated disadvantage in schools compared to other systems. Australia is an inconvenient example of what happens when resources are not spent on where they are most needed.

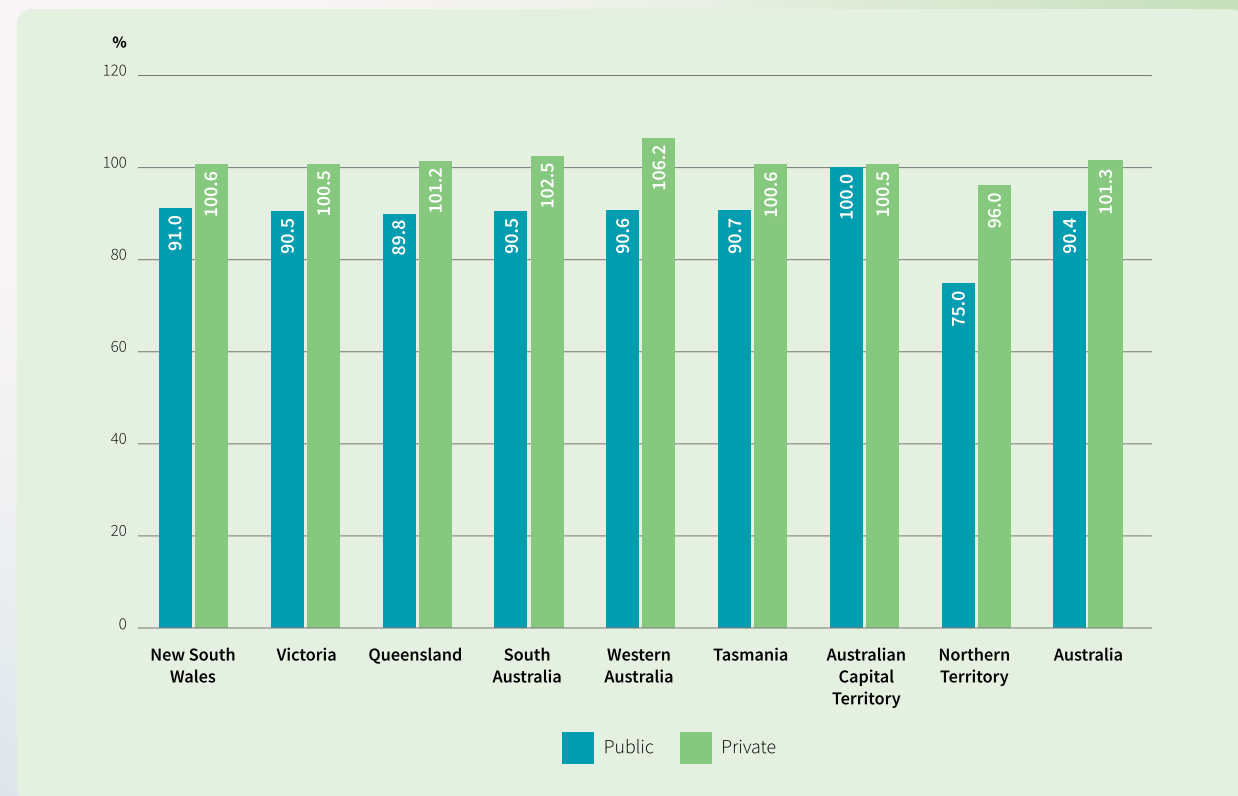
In high-performing education systems, for example, “principals in disadvantaged schools tended to report that their schools had adequate educational resources as much as, if not more than, principals in advantaged schools reported.”^(48, p.1)

Projected government funding of schools

If there is no change to current school funding agreements, most government schools will remain under-funded by the end of this decade. Public schools in all states except the Australian Capital Territory will be funded only at 91% or less of their SRS by 2029. By contrast, private schools in all states except the Northern Territory will be funded at over 100% of their SRS.

What we need now is to realise the goals set out in the Alice Springs (Mparntwe) Education Declaration⁽⁴⁹⁾ through better policies and fairer funding of all government primary schools.

Figure 7: Projected total government funding share of SRS for public and private schools in 2029 (%)



Sources and methodology: See Annex.

What happens if government schools remain under-funded:

Learning gaps between socioeconomically advantaged and disadvantaged students will grow, continuing to jeopardise Australia's overall educational performance.

Adequate funding of school education positively affects student achievement. Most of Australia's children attend inadequately funded government schools. School is where the foundations for functional lifelong skills are set. Lack of achievement in school negatively affects later learning and life outcomes. Unaddressed learning disparities in school grow over time, particularly between socioeconomically advantaged and disadvantaged students.⁽⁵⁰⁾ Furthermore, the concentration of disadvantaged in government schools will continue to increase. As under-funded government primary schools need to serve the growing needs of socio-educationally disadvantaged students, it will jeopardise other efforts to raise student education and wellbeing outcomes.

The current teacher crisis will get worse. Low pay relative to other professions, not having sufficient resourcing to address students' learning, developmental and behavioural issues, and the compounding of related issues are causing many teachers to leave the profession, with those remaining feeling over-stretched and suffering burnout. Underfunding of government schools contributes to this crisis.

Decline in student and teacher wellbeing. Greater educational achievement in school is linked with better individual wellbeing. The more individuals in society have greater wellbeing, the less crime, greater social cohesion, and stronger democracy. Lack of adequate

funding in government schools negatively affects personal and public wellbeing.

Growing strain on the public health system. Early intervention and prevention are clear ways to efficiently and effectively address developmental, learning, and health needs. Much early intervention and prevention can happen with assistance from government primary schools. Underfunding of government schools means schools are not adequately resourced to provide the support required to address children's holistic needs at school. Research suggests the long-term cost of this is adults with greater public health needs in the future, putting a greater strain on public health budgets than if early intervention and prevention would have been invested in properly in schools.

Australia's economic position will worsen. Inadequate funding means inadequate education for many Australian children. It is well documented that a high-quality education, including completion of secondary school education or equivalent, has a positive effect on earning potential for individuals, greater GDP, more innovation in business; and an overall more competitive economic position for a nation.⁽⁵¹⁾ Lack of adequate funding for government schools sets Australia up for a future where individuals have less earning potential meaning there will be more reliance on social welfare assistance and less income tax that governments can collect, meaning an overall worse economic position for Australia.

What would happen if government schools were funded better?

Schools could hire and retain experts and support staff to help all students, especially those with complex learning and health needs.

Research suggests students from socioeconomically disadvantaged backgrounds would **most** benefit from adequate and additional resources. This includes relevant professional support staff. Adequate resourcing as soon as possible for government schools would also allow school staff time and resources to link children with support services that might be needed out-of or in-conjunction with available school support.

Primary schools would be better resourced in terms of teachers and educational resources (in music, arts, sports).

Currently, Australian government schools face greater teacher shortages, have far more teachers teaching out-of-field, have fewer educational materials, and poorer quality infrastructure than do private schools.⁽⁵²⁾

Primary schools could invest in working with the community and families to support student wellbeing and learning.

Schools that can invest in fostering strong and positive relationships with children's parents/guardians and community can develop these important relationships to enrich children's learning and wellbeing. This, in turn, can also foster greater wellbeing in families and schools. Resources are required to cultivate these vital community and family connections.

Narrowing learning gaps caused by socioeconomic advantage.

More money for socioeconomically disadvantaged students and schools that enrol a larger proportion of socioeconomically disadvantaged students is a way to improve overall student outcomes and to decrease learning gaps between more socioeconomically disadvantaged and advantaged children.

Better and fairer education, and benefits for all.

As a nation we would be able to reach the goals agreed in the Alice Springs (Mparntwe) Education Declaration. International evidence also promises that when inequities in primary years of education start to ease, the quality of primary school outcomes and gradually in secondary schools would begin to improve. Improvements in attainment lead to increases in secondary school completion, which the Australia Institute's Centre for Future Work projects would generate additional aggregate yearly wage income between \$2.6 billion and \$4.2 billion if public schools were to be fully funded to their SRS, coinciding with other long-term social and economic benefits for all projected to equal between \$17.8 and \$24.7 billion after 20 years of full SRS funding (in 2022 dollar terms).⁽⁵³⁾ These benefits are "two to four times larger than the annual fiscal cost of fully meeting the SRS for public schools."^(54, p. 6) Eventually, public confidence in Australian government schools would strengthen as a result of becoming fairer and better.

A nation at hope

The goals of Australian education is clearly outlined in the Alice Springs (Mparntwe) Education Declaration that all education ministers signed in December 2019. That document is not just another formal expression of politicians' intent to improve schooling in Australia. It is a promise made to our children to give everyone education that they need to live a good life and solve the wicked global problems that this generation has not been able to solve.

There is currently a lot of talk, but lacking committed timetables to ensure all government schools are on a path to be fully funded at 100% of their SRS. The sooner government schools are funded to their SRS, the sooner mobilisation of the benefits of this investment can be put in motion. Why would Australia wait to optimise public investment in school education for all Australian children? All children are our future; their present matters for all our futures.

The new National School Reform Agreement and the Commonwealth-State bilateral funding agreements are due to be renegotiated next year and apply from the beginning of 2025. They could guarantee all government schools will be funded at 100 percent of their SRS as soon as possible. This is a great hope for our nation. It is the position of the AGPPA that all government primary schools should be fully funded at 100 percent of their SRS at the commencement of the next National School Reform Agreement, by 2025.

Another recommendation is to remove the provisions in the current agreements that allow states to count expenditures not included in the measure of the SRS. These expenditures include depreciation, school transport and expenditure by standards and regulatory agencies as part of its share of the SRS that causes government schools to lose out on over \$2 billion a year. This would put Australia on a better path towards achieving the educational goals of equity and excellence.

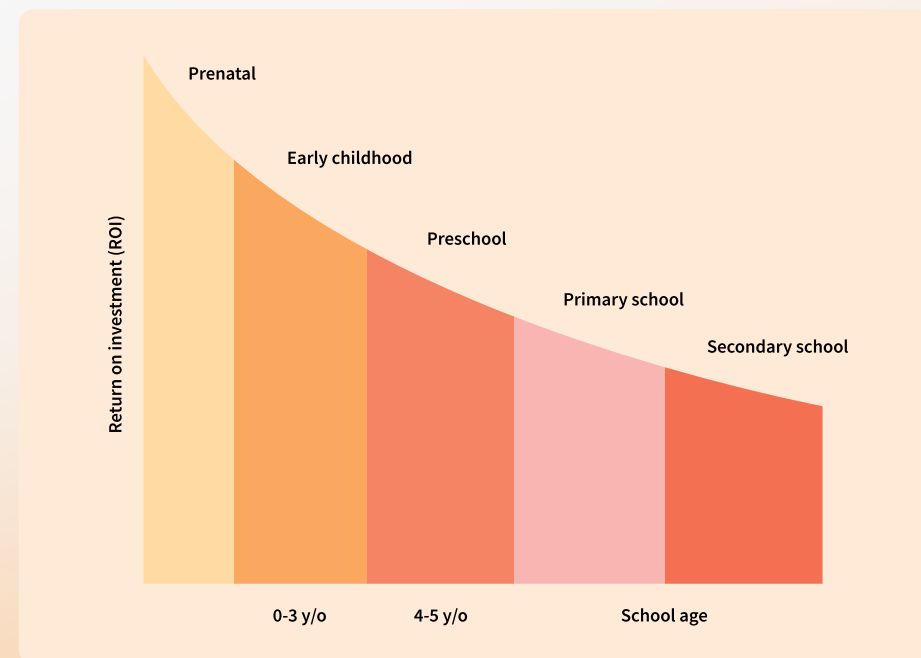
Primary priority: A universally acknowledged wise and impactful investment

Once governments agree to prioritise fully funding government schools to their SRS, a priority for distribution of full SRS funding should be government primary schools.

The increasing understanding of the importance of the early years, which includes Nobel Prize winner James Heckman's extensive research, has yielded what is now a globally accepted universal truth: the highest rate of human, social and economic returns come from investment in children as early as possible.⁽⁵⁵⁾

Australia is working to address this global truth in the pre-school space.⁽⁵⁶⁾ Due to much research often connecting Year 12 or even higher education completion with more positive economic, health and social outcomes for individuals and societies, the importance of investing in primary school outcomes can be overlooked. But, after earlier years, investing in primary school yields the greatest holistic return on investment for all. This is clearly expressed in Heckman's famous (and universally accepted) curve.^{iv}

Figure 8: Economic impact of investing in early childhood learning (the Heckman Curve)



Source: Designed based on the Heckman Curve

^{iv} For more information, please see <https://heckmanequation.org/resource/the-heckman-curve/>.

Primary priority: A universally acknowledged wise and impactful investment

Investing in primary schools means investing in children's foundations for lifelong learning, literacy, numeracy, development, health, social skills, civic engagement, and wellbeing. As Heckman's research shows "the economic benefits of investing early and building skill upon skill to provide greater success to more children and greater productivity and reduce social spending for society."^(57, p.1)

As OECD analysis suggests: "A major reduction in under-achievement in primary school could help increase the flow of students into cognitively demanding secondary school programmes and reduce levels of dropout as well as unemployment on leaving school."^(58, p.37)

As previously noted, higher rates of Year 12 completion are associated with positive labour market outcomes.⁽⁵⁹⁾ "Outcomes during secondary education are in turn strongly correlated with primary school performance."^(60, p.132) Increases in prior (younger) student achievement has been found to strongly effect later achievement in Australia.⁽⁶¹⁾

This means it would be a wise and impactful investment for Australian governments to prioritise fully funding government primary schools to their SRS as soon as possible.

Primary priority: Better and fairer foundations

Research repeatedly shows that the gaps in healthy childhood development and school outcomes based on children's socioeconomic backgrounds exist before they start school. Despite efforts to address this gap before school with prenatal and early childhood education and care policies, amongst others; many children will likely continue to start primary school needing additional support.

Recent figures show that one in five Australian children start primary school developmentally vulnerable in one or more domains that include physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, communication skills and general knowledge.⁽⁶²⁾ Australian children from socioeconomically disadvantaged backgrounds are more likely to start school developmentally vulnerable than their more socioeconomically advantaged peers.⁽⁶³⁾

As such, it is in primary school that many teachers are the first observers of children's additional developmental and learning needs.⁽⁶⁴⁾ Australian government primary schools are where children with the most additional and complex developmental and learning needs go to school. The sooner they are fully funded to their SRS, the sooner they can more adequately meet their children's learning and developmental needs. This would help stop educational inequities closer to where they start.

A recent AERO report highlights "that if a student who has been identified as falling behind does not catch up by Year 5, they are less

likely to have future learning success and instead fall further behind."^(65, p. 17) According to an analysis of data from Victorian government school students in Years 3, 5 and 7, "the genesis of demographic and socioeconomic inequalities in student achievement occurs prior to Year 3 and point to the importance of factors operating in the preceding years."^(66, p. 223) One factor is funding.

It is clear that investment in children and their needs as early as possible is important.⁽⁶⁷⁾ It is also clear that in Australia most children with the most needs are in underfunded government (public) primary schools. This underfunding means that these children are not resourced enough for their developmental and learning needs to be adequately met, and that not all Australian children's learning potential are being optimised. "Failure to fully capitalise on children's learning potential has serious social and economic repercussions."^(68, p. 229)

This suggests that if we want to provide a better and fairer start to all in Australia, a good idea would be to prioritise adequate (full SRS) investment in government primary schools, to especially ensure government primary schools are able to support more socioeconomically disadvantaged and developmentally vulnerable students. Early intervention and prevention provide the highest rates of returns compared to snowballing ill-effects of the alternative. From economic and educational views this approach might have the most positive impact on equity in education.

A better and fairer way forward

It is possible to imagine a more equitable and excellent, or world class, Australian education system. There are many multi-faceted and complex factors to consider on the way to making this vision come true. One factor is the way schools are funded by governments.

Changes in school funding alone, however, will not automatically improve the school education situation in Australia. For transformation, schools will also need a vision and determination to turn ideas to support every student to be the very best they can be into concrete operations at the school level. Schools cannot do this work alone, they will need to work in partnerships with their communities and with students' families and carers.

At the same time, money matters. Schools with inadequate funding have insufficient resources to support their planning and operationalisation to do what is best to support their students. Money matters most for the most disadvantaged students in the most disadvantaged schools. In Australia, most disadvantaged students attend government schools and most disadvantaged schools are government schools. Yet, distinctly, and particularly in comparison with Australia's more advantaged private schools, government schools are under-funded by governments (not funded to their SRS).

So, one change to consider for a better and fairer Australian education system is simple. That is, for Australian governments to fully fund Australian government schools to their Schooling Resource Standard as soon as possible. This is something government primary schools have already been waiting and hoping for since the since the Review of Funding for Schooling (Gonski) report came out over a decade ago.

The new National School Reform Agreement and the Commonwealth-State bilateral funding agreements could ensure that full SRS funding for government schools happens. They could also prioritise government schools with the highest concentrations of disadvantage and government primary schools for their full SRS funding. This is how Australia could wisely invest in children based on the best available knowledge about how to optimise results for children and the public good; and become more aligned with its vision in the The Alice Springs (Mparntwe) Education Declaration.

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Position paper URL: <https://vpa.org.au/VPA/VPA/Publications/AGPPA---A-Better-and-Fairer-Start-for-All.aspx>

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ANNEX: Data Sources and Methodology for Figures 1 and 7

The government funding shares of the Schooling Resource Standard (SRS) for public and private schools in 2023 and 2029 shown in Charts X and Y are the total combined Commonwealth and State/Territory governments funding shares. They differ from the figures published by the Commonwealth Department of Education and in the Commonwealth/State bilateral funding agreements because they adjust for two main oversights in the those published figures:

1. The Commonwealth shares for private schools reflect funding provided under the Direct Measure of Income (DMI) model. However, they ignore funding provided outside the model, most notably, the \$1.2 billion Choice and Accountability Fund for private schools which operates until 2029.
2. The state/territory shares do not take account of special provision in the bilateral funding agreements which allow the states and the Northern Territory to claim expenditures excluded from the measure of the SRS as part of their SRS funding share. They can claim up to four percentage points against their target share for expenditures such as depreciation and school transport. The states and territories can also claim expenditure on certain regulatory agencies such as curriculum and education standards authorities. The agreements are available on the [Commonwealth Department of Education website](#).

Figures 1 and 7 include funding for the Choice and Accountability Fund and take account of the special provisions in the bilateral funding agreements.

The Commonwealth shares for **public schools** for 2023 and 2029 are obtained from Senate Education and Employment Committee, B 2022-23 Budget Estimates, Answer to Question on Notice (AQON) SQ22-000248.

The State/Territory target funding shares for public schools in 2023 are estimated by deducting estimates of special allowances provided in the Commonwealth-State/Territory bilateral funding agreements from the official target shares set out in the agreements. First, this 4% figure is deducted from the 2023 target shares specified in the bilateral agreements. Second, expenditure on the specified regulatory agencies are expressed as a percentage of total funding at 100% of the SRS and deducted from the official target shares. The expenditure figures are obtained from the 2020 annual reports of the authorities specified in the bilateral agreements. Expenditure for 2023 is estimated on the basis of 3% annual growth from 2020 and pro-rated to public schools according to their share of total enrolments. The total funding at 100% of the SRS is estimated from data provided in AQON SQ22-000248.

The formula for estimating the state/territory SRS shares is: official target SRS share-(4 + (specified regulatory expenditures/total funding at 100% of SRS x 100)).

The SRS shares for 2029 are estimated on the same basis as for 2023. The official target SRS shares are 75% for NSW, Victoria, Western Australia, South Australia, and Tasmania. The target share for the ACT is 80%. Queensland is not due to reach 75% until 2032. Its target share for 2029 is estimated at 74.18% on the basis of equal annual increases to get to 75% by 2032. The official target share for the Northern Territory in 2029 is 59%.

The Commonwealth shares for private schools for 2023 and 2029 are estimated from data provided in Senate Education and Employment Committee, B 2022-23 Budget Estimates, AQON SQ22-000248. Funding for the Choice and Accountability Fund expressed as a percentage of the full SRS funding is added to official funding shares for 2023 and 2029. The funding under this program is obtained from Department of Education, Skills and Training, [Choice and Accountability Fund Agreements 202](#)

The State and Territory funding shares for private schools in 2023 are obtained from the bilateral funding agreements. The shares for 2029 are 20% of their SRS as the target set in the funding agreements for all jurisdictions except Western Australian and the Northern Territory. Western Australia retains the option of maintaining its current funding share of 25.72%. The Northern Territory will maintain its current funding share of 15.09%.

ANNEX: Data Sources and Methodology for Figures 1 and 7

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A Better and Fairer Start for All:

A case for funding all government primary schools to their
Schooling Resource Standard as soon as possible

We acknowledge the Traditional Owners of the land on which we live and work; and pay our respect to Elders, the Indigenous people of these lands, and Indigenous community leaders, past, present and emerging.

