



QUEENSLAND
TEACHERS' UNION
OF EMPLOYEES

QTU Report State Budget 2009-10 Education

**John McCollow
Research Officer**

Authorised by: John Battams, General Secretary, Queensland Teachers' Union

State Budget Report, 2009-10 – Education

The State Budget Papers are available in full on line at:

<http://www.budget.qld.gov.au/>.

Portfolio Changes

The following changes have affected Budget reporting for what is now the Department of Education and Training:

- The Office of Early Childhood Education and Care has moved into the Education and Training Portfolio. This Office oversees kindergarten and childcare facilities and services. This report does not deal with allocations for the Office of Early Childhood Education and Care.
- The Arts are no longer part of the portfolio.

Recurrent Funding

DET claims an increase in recurrent funding from all sources for state schools of 14.5 per cent. This is due almost entirely to a huge increase (109 per cent) in general recurrent grants and National Partnerships Agreements (NPA) funding by the Commonwealth. The State Government “contribution” to funding has increased by only 3.8 per cent (see table below). Given enrolment increases (1.1% from 2008 to 2009)¹ and a current inflation rate of 3.1%² and provision for employee salary increases, this means that the State contribution has not kept pace with costs.

State Schools Recurrent Funding – Revenue						
<i>Output</i>	<i>Total Cost 08-09 \$'000</i>	<i>Total Cost 09-10 \$'000</i>	<i>% increase</i>	<i>State Contribution 08-09 \$'000</i>	<i>State Contribution 09-10 \$'000</i>	<i>% increase</i>
<i>Early Phase of Learning</i>	1,367,411	1,572,648	15	1,186,575	1,240,450	4.5
<i>Middle Phase of Learning</i>	2,233,658	2,532,993	13.4	1,898,692	1,947,171	2.6
<i>Senior Phase of Learning</i>	1,058,578	1,224,666	15.7	866,976	902,911	4.1
<i>Students with Disabilities</i>	524,766	608,061	15.9	425,870	455,164	6.9
Total	5,184,413	5,938,368	14.5	4,378,113	4,545,696	3.8

Source: SDS, Book 2, 2008, p. 2-11; SDS, Book 3, 2009, p. 3-108

VET funding is reported below.

Capital works

The increase for capital works funding (202 per cent!) is thanks overwhelmingly to the Commonwealth Government’s *Building the Education Revolution* (BER)

¹ Ministerial Media Release, 8 February 2009.

² ABS, 6401.0, Consumer Price Index, Australia, Mar 2009.

economic stimulus funding. BER expenditure constitutes \$882.2m in 2009-10 or 59 per cent of total schools capital works expenditure of \$1.5b. The “expense component” of BER – \$286.1m in 2009-10 is considered recurrent expenditure and, despite being Commonwealth money, is also apparently counted as part of the State contribution to output.

Capital works expenditure also includes the 2009-10 instalment of the State Schools of Tomorrow program. The Budget Papers claim that \$310m has been allocated for 2009-10 but only \$185.3m in capital works funding is identified. (\$15m has been diverted to teacher housing maintenance and \$45m has been diverted for school maintenance.)

PPPs - \$80.1m of capital funding has been allocated for the commencement of the SEQ Public-Private Partnerships Schools Project. The expense (recurrent) component of the PPP projects for 2009-10 is \$2.5m.

PPPs, which have a somewhat dubious track record elsewhere, are arrangements where the private sector is contracted to build and then own public facilities, which are then leased back to the state sector.

New primary schools to be built under PPPs have been approved for Thornlands South, Peregian Springs, Bellbird Park, Collingwood Park, East Coomera Downs and Bundilla. A new high school is to be built at Murrumba Downs. Thornlands South and Peregian Springs are due for completion for the 2010 school year. The others are due for completion in 2011 or 2012.

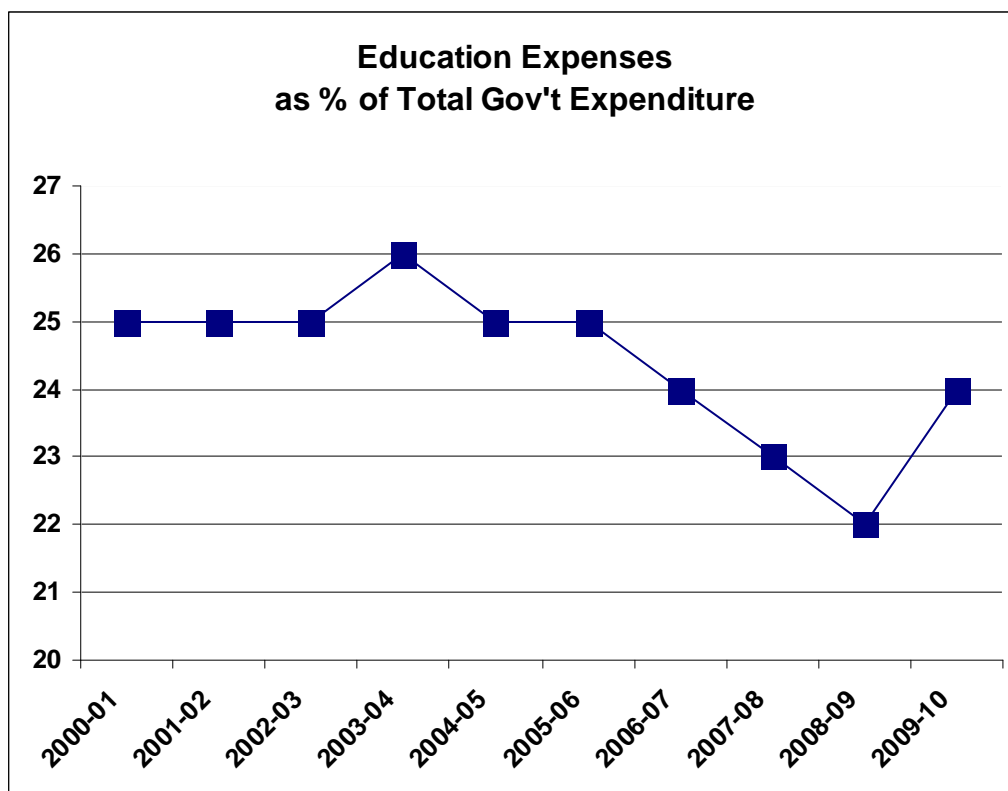
A replacement school will be built at Amberley (not a PPP project).

Major VET capital works allocations for 2009-10 include \$22.7m for the SkillsTech Australia campus at Acacia Ridge, \$22.2m for a trade and technician skills campus at Townsville, \$9.1m to redevelop the Nambour campus of the Sunshine Coast Institute of TAFE, \$6.2m for continued redevelopment of the Cairns campus of the Tropical North Institute of TAFE and \$28.9m to develop the new Coomera Education Precinct of the Gold Coast Institute of TAFE.

A full list of capital works projects in schools and TAFE institutes is provided in Budget Paper No. 3, pp. 45-54. This is available on-line at:
<http://www.budget.qld.gov.au/budget-papers/2009-10/bp3-3-2009-10.pdf>.

Education as a Budget Priority

Education has improved its share of overall Budget expenditure but is still below the proportion of overall expenditure traditionally made on this policy area. For the second year in a row, Education ranks second to Health in terms of its proportion of overall expenditure. Prior to last year’s State Budget, Education was the largest expenditure area of the Budget.



Source: Chart 7.3, "General Expenses By Purpose, 2009-10", Budget Paper No. 2, "Budget Strategy and Outlook", comparable charts, previous years' Budget Papers.

Salaries

The Treasurer announced prior to the Budget that public sector unions will have until 1 September 2009 to complete wage negotiations at the current offer or "face a ceiling of 2.5 per cent a year for the next three years". This threat was repeated in the Budget Speech and in Budget Paper No. 2, *Budget Strategy and Outlook*, p. 10. Furthermore, the salary increase limit of 2.5 per cent for "senior public servants" will apply from 1 July 2009. This may have implications for Executive Principals.

Superannuation

There were no changes to the employer contribution to superannuation, although the Treasurer apparently left his options open for future employees by stating in his Budget Speech that "we will honour those commitments provided in the past, but it must be recognised that the future landscape has changed".

Efficiency Requirement/Dividend

The Government will require \$280m in savings to be realised across government departments in 2009-10. The actual amount to be realised by DET is "CBRC (Cabinet Budget Review Committee) information and considered confidential"³ is estimated that the Department of Education and Training's share of this could be in the order of \$67m (in line with Education's share of overall Budget expenditure). The QTU was assured at its Budget Briefing with the Department that "front-line services" would

³ Email correspondence from DET to QTU, 17 June 2009.

not be targeted. Savings will be achieved through “efficiencies in corporate overheads and operating structures”.⁴

Teacher and Teacher-Aide Numbers

The Budget provides for 290 teachers and 60 teacher aides for enrolment growth (including “fixed growth funding for students with disabilities); \$4.5m for additional teacher aide hours (as part of a three year program to allocate an additional 15,000 hours per week in Years P-7 – as per Labor’s election commitment); “up to” 80 literacy/numeracy coaches” (Commonwealth funding); \$11m for 100 new science teacher positions for primary schools (election commitment).

Teacher Housing

Funding for employee accommodation maintenance is \$22.4m, which is a \$5m increase from 2008-09. (\$15m of this is redirected from the State Schools for Tomorrow program.) Capital works funding is reported in the Budget papers as \$9.3m (contrary to the \$11m we were told in the DET Budget briefing), compared with last year’s allocation of \$12.9m, a decrease of \$1.4m.

School Grants

Each school (regardless of size or location) will get a \$10,000 increase in the school grant. 127 low SES schools will get an additional \$3,000 to make their increase \$13,000. The increase in the school grant was an election commitment. According to DET, the 127 schools were identified using IRSED and “additional criteria including school size”.⁵

School Maintenance

The school maintenance allocation for 2009-10 is \$126.1m, up from \$135.1m in 2008-09. As in 2008-09, a significant proportion (\$45m) of this is funding that has been redirected from the State Schools of Tomorrow program.

NPAs

According to DET, the “National Partnership arrangements remain subject to negotiation with the Australian Government”. However, DET has provided the following “estimates” of NPA “facilitation payments”. Additional “reward payments” will be available in subsequent years (not in 2009-10).

	09-10 \$'000
Literacy & Numeracy	43,881
Low Socio-Economic Schools	23,380
Teacher Quality	2,670

Source: Email correspondence from DET to QTU, 17 June 2009

⁴ Ibid.

⁵ Ibid.

We were informed at the Departmental Budget Briefing that NPA funding is recorded as a State contribution in the Budget Paper Output Summary. Subsequently, DET advised that it is, in fact, recorded as Commonwealth Revenue.⁶

Socio-economically Complex Schools

This was a QTU Budget priority and the focus of our “Meeting the Challenge” campaign in the Logan area. \$8.7m has been allocated over 3 years (\$2.8m for 2009-10) for the “Every Child Counts Pilot” in schools in the Logan area.

Additional/New Funding for Programs

Budget Paper No. 4, “Budget Measures” identifies new or additional funding (as opposed to ongoing funding) for programs. The information below is drawn from this source.

School Grants – See above.

“Science Spark” – As noted above \$11m has been allocated in 2009-10 for science teachers in primary schools. Some of this funding will also be used to provide science professional development and to expand the number of “Earth Smart Science Schools” from 60 to 1,000.

Edmund Rice Bridge Program – An additional \$1m per year for 3 years has been allocated for the Edmund Rice Bridge Program for youth aged 12-15 in the juvenile justice system who are at risk of disengaging from education.

“Every Child Counts Pilot” – See the section on “Socio-economically Complex Schools” above.

Literacy and Numeracy Action Plan – The State has allocated an additional \$9.8m in 2009-10 (total funding \$20.3m) and “re-directed existing funding of \$31.7m over three years” (total funding \$72.3m) for literacy and numeracy intervention. These are apparently the State’s contribution to the Literacy and Numeracy NPA which also receives \$43.9m in Commonwealth funding in 2009-10. As noted above, there will be “up to 80 literacy and numeracy coaches” appointed to schools. Additionally, the funding will be used to support intensive literacy/numeracy interventions in Years 3 and 5 and school holiday “summer schools” at 72 venues across the state for Year 5 and 7 students who don’t meet NAPLAN benchmarks, as well as professional development for teachers.

Trade Training Centres in Schools – The Budget Papers identify \$61.1m in additional funding for 2009-10 for trade training centres (in state and non-state schools). This appears to be the State Government contribution to this Commonwealth initiative where schools apply for funds to build, upgrade and equip VET facilities.

⁶ Preliminary QTU Budget reports stated that NPA funding was included in the “State Contribution” to Outputs.

National Secondary Schools Computer Fund – The Budget Papers claim an additional State allocation for this program of \$113.3m in 2009-10. This is, of course, a Commonwealth Government initiative.

Ongoing Programs/Services

Professional development – \$48m has been allocated in 2009-10 for professional development for schools and TAFE.

QCAR – \$3m has been allocated in 2009-10 for the continued implementation of QCAR.

Auslan – \$8.3m has been allocated in 2009-10 for the continued implementation of Auslan as the language of instruction for deaf/hearing impaired students.

Indigenous Education – \$2.5m has been allocated in 2009-10 for the continued implementation of the Indigenous Education Support Structures pilot.

Computers – \$113m has been allocated for additional computers (Commonwealth program) and \$20m for the continued roll-out of the computers for teachers program.

Non-Government Schools

Total State Government recurrent and capital assistance to non-state schools will be \$493.7m for 2009-10. State recurrent funding increased from 2008-09 to 2009-10 by 6.7 per cent; State capital funding increased by 3.5 per cent. Total Commonwealth recurrent and capital grants funding (which from 2009-10 are no longer disaggregated in the State Budget Papers) increased by 32 per cent. Non-government schools will receive \$487m in BER funding in 2009-10.

The Government has also yielded to pressure from the non-government schooling sector and has committed, in the 2010-11 financial year, to provide a “one-off” allocation of \$50m in capital works funding (which is portrayed as their component of the “State Schools of the Future” initiative).

Funding for NGS	Est Actual 2008-09 \$'000	Est 2009-10 \$'000
Total State Recurrent	412,840	440,534
Total State Capital	51,375	53,158
Total Commonwealth Funding	1,376,687	1,816,851

VET Funding

State government funding constitutes a less important revenue stream in VET than for state schools. Only 56.1 percent of revenue for VET is State Government funding compared to 76.5 per cent of state school funding. Analysis of TAFE funding is complicated because VET funding as reported in the Budget Papers includes funding for private registered training organisations (RTOs) as well as for TAFE and because TAFE institutes must competitively tender to win a significant amount of the funding

made available by governments and must compete in the market in relation to fee for service programs. As shown in the table below, funding for the Southbank Institute of TAFE and the Gold Coast Institute of TAFE, which are now corporatized statutory bodies, is now reported separately from general TAFE funding.

VET Funding	08-09 (Est Actual) \$m	09-10 (Est) \$m	% increase
VET – Total Funding	1,122.7	1,168.2	4.1
VET – State Contribution	644.7	655.2	1.6
TAFE- Total Government Funding	561.2	587.6	4.7
South Bank TAFE Institute –Total Funding	116.7	118.8	1.8
South Bank TAFE Institute – State Contribution	77.8	77	-1.1
Gold Coast TAFE Institute – Total Funding	58.2	63.9	9.7
Gold Coast TAFE Institute – State Contribution	38.7	42.9	10.9

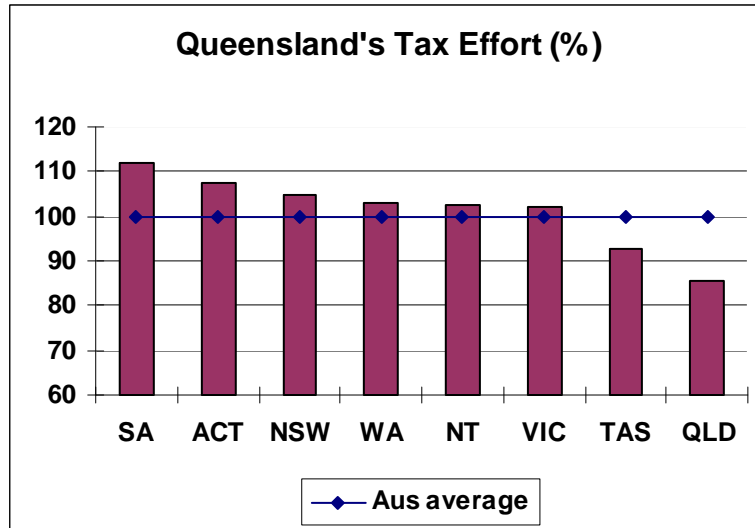
\$39.1m in additional funding has been allocated to support priority maintenance, small capital works and purchases of plant and equipment in TAFE.

\$62.4m has been allocated for 2009-10 as the State Government contribution to the second year of the Commonwealth's Productivity Places Program National Partnership. The four-year program, which has been criticised for failing to target training funds effectively, aims to create 102,000 additional training places for Queenslanders in the workforce, and 46,000 training places in priority areas for job seekers.

Taxation Revenue

The Budget Papers continue to portray Queensland's low tax status as a virtue despite the fact that it is one of the main reasons that Queensland is in a worse position than other Australian states to weather the impact of the global economic crisis and has had to endure decades of poor resourcing of public services, including education.

The Budget Papers note the Commonwealth Grants Commission rates Queensland's "taxation effort" as the lowest by far of all Australian states and territories.



Source: Table 6.6, "Queensland's Tax Competitiveness", Budget Paper No. 2, 2009-10, "Budget Strategy and Outlook".

John McCollow
Research Officer