

# Labor says Scott Morrison cut \$14 billion from public schools while treasurer. Is that correct?

By RMIT ABC Fact Check

Education

Sun 12 May 2019 at 7:08pm



 Misleading

Labor's claim is misleading — again. (AAP: Alan Porritt)

## The claim

Four weeks into the 2019 federal election campaign and it's been hard to miss Labor's dire assessments of Coalition spending on health and education.

Hammering its message of cuts, Labor claims funding for public schools was axed under the Liberal-National Government — an accusation it has pushed through a [campaign website](#).

"As treasurer, Scott Morrison cut public school funding by \$14 billion," it said.

That charge has been repeated by Deputy Opposition Leader Tanya Plibersek, Labor's education spokesperson, who [on May 7](#) claimed the election was a choice between Labor's investment in public schools "or the LNP's \$14 billion of cuts."

So, has the Coalition cut \$14 billion from public schools?

RMIT ABC Fact Check investigates.

## **The verdict**

Labor's claim is misleading — again.

Under the Coalition, public school funding has grown each year and is projected to continue that way over the forward estimates.

The sum cited by Labor refers to the difference between what the two major parties plan to spend over the decade to 2027, with funding growth projected to be smaller under Coalition.

But as Fact Check has argued before — both in 2014, when Labor claimed \$30 billion was being cut from all school sectors, and in 2017, when that figure became \$22 billion — smaller increases are not the same as decreases.

In these cases where long-term funding projections are involved, the numbers are unreliable because they do not account for changes to the political or economic landscape.

Justifying Labor's \$14 billion claim, Ms Plibersek accused the Government of breaking its promises to match Labor's commitments.

However, the incoming Abbott government only promised to match the portion of Labor's schools funding set out in the budget papers, for the four years from 2014 to 2017.

And when the Coalition came to office in 2013, not all states and territories had signed agreements with Labor.



The sum cited by Labor refers to the difference between what the two major parties plan to spend, not actual cuts. (ABC RN: Siobhan Hegarty)

## The source of the claim

Asked for the source of the claim, Ms Plibersek's office directed Fact Check to an [education union website](#) that provides a timeline of what it calls cuts to public schools.

The timeline starts with a [2014 budget proposal](#) by then prime minister Tony Abbott to reduce funding growth to all school sectors by \$30 billion between 2018 and 2025.

That sum was revised in 2017 when Mr Morrison was treasurer in the Turnbull government — first to \$22 billion and then, after [negotiations](#) with the Senate, to \$17 billion over the ten years to 2027.

Costings by the Parliamentary Budget Office, [released by Labor in 2018](#), suggested 85 per cent of the total, or roughly \$14 billion, would come from public schools.

In September 2018, the Government [signed off](#) on an extra \$3.2 billion for non-government schools, to be delivered in the decade to 2029.

Dr Peter Goss, school education program director with the Grattan Institute, told Fact Check the union's numbers broadly checked out, but said that "whether it's a cut or not is a separate question".

## This claim has form

Labor's \$14 billion figure has its genesis in past claims of school cuts worth \$30 billion and \$22 billion — both of which Fact Check has already assessed.

In 2014, the \$30 billion cut to public and private schools was found to rely on [rubbery figures](#). That's because the claim referred to future spending that was still projected to increase.

Fact Check wrote at the time:

"If nothing else changes in policy or economic terms over the next 10 years, the Government will end up spending \$30 billion less on schools over 10 years than Labor says it *would have* spent. However, in reality there is just too much uncertainty for this long-term estimate to be used as a reliable measure for cuts or savings."

The \$22 billion in cuts to public and private schools, claimed by Ms Plibersek in 2017, was also found to be [misleading](#).

Again, school funding was tipped to grow over the next decade, a leaked document showed, albeit by \$22 billion less than what Labor was promising.

## What counts as a cut

Justifying Labor's latest claim, Ms Plibersek [told ABC's Insiders](#) on April 28: "There's a \$14 billion difference between what Labor will spend over the next decade and what the Liberals will spend".

She also said the Coalition had previously described each of the former \$30 billion and \$22 billion figures as a "saving".

"When the Government describes changes to education funding as a saving, they are saying that they have cut school funding," Ms Plibersek

said. "[A] saving is a cut, is a saving, is a cut."

To be sure, by trumpeting long-term savings based on spending assumptions for each party, the Coalition left itself open to the charge of "cuts" — a point Fact Check has [noted](#) previously.

However, Fact Check has [argued before](#) that comparisons between hypothetical future spending propositions do not demonstrate spending cuts.

Similarly, a smaller increase in spending does not equate to a decrease.

### **A broken promise?**

On Insiders, Ms Plibersek said the \$14 billion also represented the difference between what the Coalition had promised and what it was delivering.

"[The Coalition] said 'you could vote Liberal, you could vote Labor, there'd be not a dollar difference in your school funding'," she said.

The education union website her office referred to says: "During the 2013 federal election the Liberal Party promised to match Labor's school funding promise 'dollar for dollar'. Instead, they scrapped signed agreements with states and territories and legislated school funding cuts."

That thesis has been advanced by other Labor frontbenchers.

Opposition Leader Bill Shorten said during the May 8 leaders debate that Labor would "put back funding they [the Coalition] promised and never delivered".

Shadow Treasurer Chris Bowen said during the May 6 treasurer's debate the Government was "cutting funding to schools and hospitals that they'd previously promised solemnly to match".

In 2013, Labor's pledges were worth [\\$9.8 billion](#) in extra money over six years.

The majority of that funding was slated for years five and six, beyond the four-year budget forward estimates, leaving \$7 billion unfunded.

The Coalition [told voters](#) during the 2013 election campaign it was on a "unity ticket" over school funding.

However, as Fact Check has written before, this was only a [four-year promise](#).

The Coalition's education [policy document](#), released before the election, said it would "match Labor dollar-for-dollar over the next four years".

## **Agreements with the states**

During the Insiders interview, Ms Plibersek said the "not a dollar difference" promise represented a Coalition pledge not just to parents but also to the states and territories.

"States and territories had signed agreements with the federal government that this Government walked away from," she said. "If they had stuck with what they promised ... schools would be \$14 billion better off over the next 10 years."

Certainly, most Commonwealth funding for schools is provided via payments to the states and territories.

But not all states and territories had signed agreements with the Commonwealth when Labor was in power.

As the education union website notes, only five states and territories signed up to Labor's National Education Reform Agreement before the 2013 election.

Two of them, Tasmania and Victoria, [did not](#) go on to sign bilateral deals with the federal government, so, strictly speaking, were not considered "participating states" under Labor's new legislation.

This meant only NSW, the ACT and South Australia had formal agreements that would have seen them transition to Labor's new per-student funding levels by 2019.

Despite that, all states and territories continued to receive funding under the Coalition. For the period from 2014 to 2017, the Coalition [did not](#)

introduce any changes to the funding regime.

The Government [wrote](#) in 2017 that it had funded all states and territories "in line with the final offers made to states during negotiations in 2013".

Agreements with the states were [replaced](#) when the Turnbull government delivered its "Quality Schools" funding package that took effect in 2018.

Exactly what the former agreements had promised and how long they were to remain in place is not possible to say, as the details were not made public.

Still, it appears not all states thought they would get the funding promised by Labor in 2013.

A spokeswoman for Queensland's education minister told Fact Check in 2014 that her state had not signed up to Labor's deal, so they "expected to receive no federal funding for Queensland state schools under the Labor Federal Government".

## So, what do the numbers say about actual funding?

Data from the Productivity Commission's [2019 report](#) on government services shows federal spending on public schools increased above inflation in each of the Coalition's first three years — 2014-15, 2015-16 and 2016-17.

### Productivity Commission data (inflation adjusted)

| Year    | Expenditure - real (\$m) | Increase - real (\$m) | Increase - real (%) |
|---------|--------------------------|-----------------------|---------------------|
| 2013-14 | 5,088                    | -                     | -                   |
| 2014-15 | 5,526                    | 438                   | 8.6                 |
| 2015-16 | 5,917                    | 391                   | 7.1                 |
| 2016-17 | 6,597                    | 680                   | 11.5                |

Source: [Productivity Commission, Report on Government Services 2019](#)

Federal budget figures from 2018 and 2019 show funding increased again in 2017-18 and 2018-19, and are forecast to continue that way over the four years to 2022-23.

The figures point to nominal funding increases ranging from seven to nine per cent per year across those six years.

### **Budget figures (nominal)**

| <b>Year</b> | <b>Expenditure - nominal (\$m)</b> | <b>Change - nominal (\$m)</b> | <b>Change - nominal (%)</b> |
|-------------|------------------------------------|-------------------------------|-----------------------------|
| 2016-17     | 6,495                              | -                             | -                           |
| 2017-18     | 7,110                              | 615                           | 9.5                         |
| 2018-19     | 7,684                              | 574                           | 8.1                         |
| 2019-20     | 8,326                              | 642                           | 8.4                         |
| 2020-21     | 8,995                              | 669                           | 8.0                         |
| 2021-22     | 9,673                              | 678                           | 7.5                         |
| 2022-23     | 10,385                             | 712                           | 7.4                         |

Sources: [2019-20 Budget, Paper 1](#) and [2017-18 Final Budget Outcome](#). (Credit: RMIT ABC Fact Check)

Importantly, the budget figures are in nominal terms.

However, it's extremely unlikely funding would go backwards in inflation-adjusted terms.

The latest inflation data, from [June 2018](#), shows a rise by an average of just 1.3 per cent per year over the last five years.



That's based on the Productivity Commission's preferred index for school funding costs, the Australian Bureau of Statistics' General Government Final Consumption Expenditure.

***Principal researcher: David Campbell***

[factcheck@rmit.edu.au](mailto:factcheck@rmit.edu.au)

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Posted Sun 12 May 2019 at 7:08pm, updated Fri 14 Jun 2019 at 9:21pm



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