

Inquiry into Horizontal Fiscal Equalisation

Submission to the
Productivity Commission

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Queensland Teachers' Union
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Introduction

The Queensland Teachers' Union of Employees (QTU) welcomes the opportunity to make a submission to the Productivity Commission's Inquiry into Horizontal Fiscal Equalisation. Any outcome resulting from the Commission's report will no doubt impact everyday Australians in one form or another.

The QTU acknowledges that horizontal fiscal equalisation (HFE), and subsequent vertical fiscal imbalance, is and will continue to be a challenge for all state and federal governments, and relevant bodies.

The QTU makes the following submission with reference to the Queensland context and, more specifically, a focus on ensuring that public school education and vocational education and training in the state receive effective funding to ensure that the students in Queensland schools and TAFEs are provided the best learning opportunities possible.

About the QTU

1. The Queensland Teachers' Union of Employees (QTU) was founded in 1889 and currently represents more than 45,000 teachers and principals employed in 1,289 Queensland state schools (including primary schools, secondary schools, special schools and other specialist educational institutions) and TAFE institutes.
2. In common with many unions of professionals, the QTU represents the interests of its members in relation to professional as well as industrial matters.
3. In addition to the professional and industrial matters, the QTU is also a strong advocate for state schools and public education generally.
4. Specifically, in relation to school funding, the QTU strives to ensure that state schools are funded adequately to provide a quality education for all students regardless of socio-economic background, indigeneity, lack of English language proficiency, disability, rural and remoteness, and school size.
5. The QTU will continue to advocate that vocational education and training is one of the key pillars of the Australian education sector, and, as such, provides essential services to the economic and social benefit of Queensland.

Overview

6. In making this submission the QTU supports the Queensland government's submission in response to the draft report.

7. The view that current HFE has achieved its objectives without having a net negative effect on productivity and economic growth is shared by a range of stakeholders in addition to the Queensland Government, such as the Australian Chamber of Commerce and Industry, the Chamber of Commerce and Industry Queensland, the Victorian Government, and the Victorian Trades Hall Council.
8. The Commission's proposed changes to HFE, and subsequent changes to goods and services tax (GST) distribution, could potentially reduce Queensland's share of GST by \$729 million (equalisation to second highest state), \$1.588 billion (equalisation to the average), and \$2.399 billion (equalisation per capita).
9. These figures are based on the Commission's own estimates and projections.
10. Education, when combined with health, represents around 50% of the total expenditure in the Queensland State budget.
11. Queensland Treasury modelling has indicated that a \$1.588 billion reduction in GST revenue is the equivalent of Queensland losing 14,881 state school teachers, or about one in every three state school teachers.
12. Queensland is the second largest state in terms of geographical size.
13. It is undeniably one of the most challenging states to govern with regards to ensuring equitable access to public services for its highly decentralised population.

State schooling and TAFE: the Queensland context

14. Ensuring equitable access to state education in Queensland poses challenges due to the nature of the State's geographical expanses.
15. In Queensland there are approximately:
 - a. 151 state schools classified as remote
 - b. 455 state schools classified as rural
 - c. 108 state schools classified as regional or provincial city
 - d. 509 state schools classified as metropolitan.
16. In addition to this there are approximately:
 - a. 3 TAFE campuses that would be classified as remote
 - b. 11 TAFE campuses that would be classified as rural
 - c. 9 TAFE campuses that would be classified as regional
 - d. 23 TAFE campuses that would be classified as metropolitan.
17. Despite making up nearly half the number of schools and nearly one third of TAFE campuses, remote and rural schools and TAFE campuses experience challenges with accessing specialist support to meet the growing number of students with learning needs, physical and mental health and welfare issues.

18. There is no denying that in remote and rural parts of Queensland, there is a lack of equitable access to quality information and communication technology (ICT) and science, technology, engineering and mathematics (STEM) facilities to support and enhance learning.
19. Communities, on top of personal expenditure from teachers and principal, are fundraising to maintain a level of fair and equitable education experience, and overcome the range of disadvantages experienced by living in a remote or rural community.
20. Access to equitable transport services is an ongoing challenge to residents of remote and rural communities which further reinforces the challenges and barriers to accessing a quality education.
21. Regional and metropolitan schools, and TAFE campuses may not face the same challenges, but there are growing complexities experienced in these geographic locations as well.

Conclusion

22. Horizontal fiscal equalisation is a critical mechanism in addressing vertical fiscal imbalance. While this is an ongoing challenge of all state and federal governments, any prospective changes to HFE could have significant ramifications on communities of any given state.
23. The QTU believes that existing proposals for changes to HFE will have a dramatic and negative effect on Queensland's ability to provide an equitable level of access to public services.