

## The School Funding Partnership

**Australian school education is supported by three major funding partners — the Australian Government, state or territory governments and the families of students.**

All school students, whether they attend government, Catholic or independent schools, receive public support for their education from their state or territory government and the Australian Government. The amount each school receives depends on:

- Its sector,
- The state or territory in which it is located,
- The socio-economic background of its students (for non- government schools).

In the government schools sector, the state or territory government that owns the school contributes most of the funding.

In the independent sector, most of the funding is contributed by parents and families.

### Public funding of school education

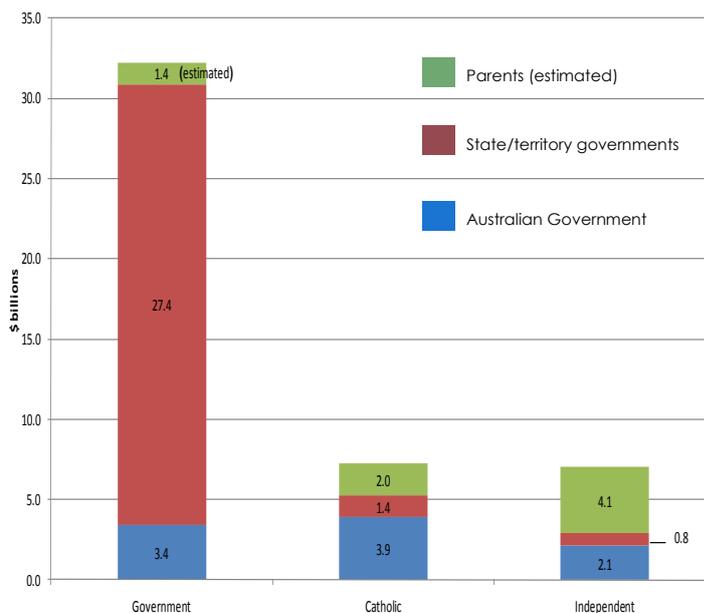
State and territory governments own and are responsible for government schools. Students in government schools receive the most public funding and the main source of this funding is the state or territory government that owns the school they attend.

Nationally in 2008-09 state and territory governments provided 89 per cent of total recurrent funding for government schools.

Students in independent schools are eligible for a much lower level of public funding and the main source of this support is the Australian Government. The Australian Government provided 72.4 per cent of total recurrent funding for non-government schools.

Total public support for a student in a government school is on average \$13,544 each year – but for a student in an independent school it can be as low as \$1,750. On average, total government funding for a non-government school student is \$6,100 per year.

Recurrent funding for school education in Australia 2008-09



**Not all schools operate on the same levels of recurrent funding. The government sector receives almost 79 per cent of total government recurrent funding while it accounts for 65.5 per cent of student enrolments. The Catholic systemic sector receives 13.7 per cent of total government recurrent funding while accounting for 20.4 per cent of student enrolments. The independent sector receives 7.5 per cent of total general recurrent funding while it constitutes around 14 per cent of student enrolments.**

**The sectoral differences in the sources of public funding for Australian schools means it is important to base comparisons on total government funding. It is also important to use per student amounts if funding comparisons are to be meaningful.**

### State and Territory funding

There are significant differences in the levels of funding provided by each state and territory government to its own schools and to non-government schools.

Some funding is provided to state government schools by the Australian Government however this is a relatively small per capita amount. The funding variation between states and territories depends solely on the funding allocated by each government.

## Socio-economic profile of students

The Australian Government uses a funding model that measures the SES of individual school communities to assess the level of funding eligibility of students in non-government schools.

The higher a school's SES score, the less public funding its students receive. Students attending schools with a lower socio-economic profile receive more public funding.

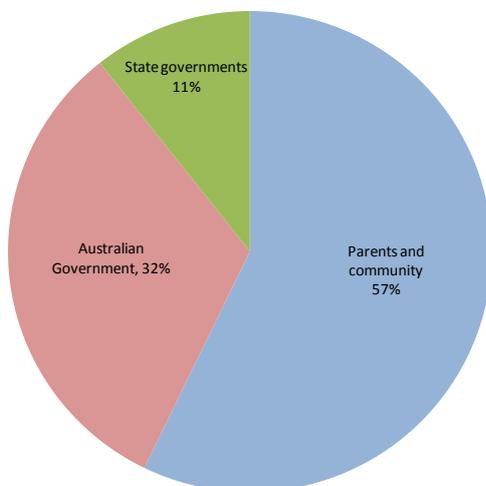
Under the SES model, all students in non-government schools are eligible for some funding in support of their education. The minimum grant is 13.7 per cent of a measure of Average Government School Recurrent Costs (AGSRC). There is a sliding scale of eligibility up to a maximum grant of 70 per cent.

## Parent contribution

The private contribution made by parents and the school community represents the most significant source of funding for the independent school sector. Taking the sector as a whole, independent schools rely more on parents than governments for recurrent funding.

In 2008-09 57 per cent of the independent sector's recurrent funding was from private sources (mainly parents), while 43 per cent was from governments. The proportions of private/government funding vary greatly from school to school (ie ranging between a high fee urban school to a remote independent Indigenous community school).

### Independent Schools - Sources of Income 2008-2009



**\$38.9 billion**

Total government funding for all schools

**\$30.9 billion**

Total government funding for government schools

**\$2.9 billion**

Total government funding for independent schools

**\$4.1 billion**

Total family contributions to independent schools

As well as operational funding to cover costs such as teacher salaries, all schools need capital funding to build and maintain the facilities and grounds that their students learn in.

In the independent sector, families traditionally meet around 80 per cent of the cost of buildings and equipment, mainly through school fees. Independent schools also rely on fundraising and donations for capital development.

## Total savings from non-government schools

Non-government schools represent significant cost savings to governments. Students in non-government schools are eligible for a much lower level of public funding with the main source of income coming from parental and family contributions.

Government costs of educating school students would be higher if more students attended a government school.

Using Productivity Commission data, ISCA calculates that the total savings in government expenditure from students attending non-government schools was \$7.9 billion in 2008-09.

Savings from independent schools are in the order of \$3.6 billion of this total.

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