

## 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 government funding for their education from their state or territory government and the Australian Government. Under the Schooling Resource Standard (SRS) Funding Model, the amount each school receives depends on:

- The sector to which the school belongs
- The state or territory in which it is located
- The characteristics of the school and its students

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

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

### Government funding of school education

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

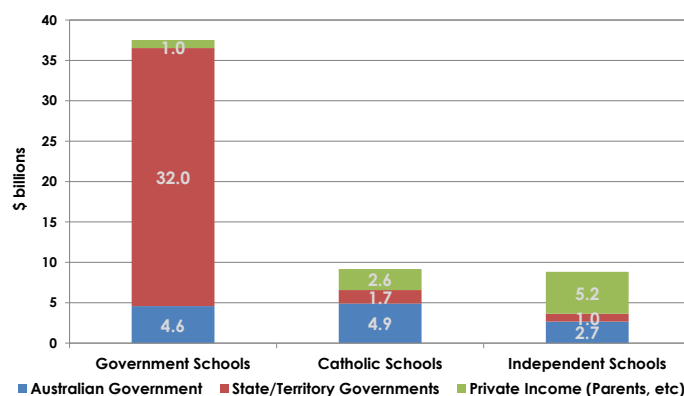
Nationally in 2011-12 state and territory governments provided 87.5 per cent of total recurrent government funding for government schools.

Students in independent schools receive a lower level of government funding and the main source of this support is the Australian Government. The Australian Government provided 73 per cent of total recurrent

government funding for independent schools.

Total government funding for a student in a government school is on average \$15,700 each year – but for a student in an independent school it can be as low as \$3,790. On average, total government funding for a non-government school student is \$7,200 per year.

### Recurrent funding for school education in Australia (2011-12)



Not all schools operate on the same levels of recurrent funding. The government sector receives 78 per cent of total government recurrent funding while it accounts for 65 per cent of student enrolments. The Catholic systemic sector receives 14 per cent of total government recurrent funding while accounting for 21 per cent of student enrolments. The independent sector receives 8 per cent of total government recurrent funding while it constitutes almost 15 per cent of student enrolments.

In regards to capital funding, independent schools receive approximately 20 per cent of capital funding from governments. However, capital grants programs are important and are designed to support schools with the greatest need.

The sectoral differences in the sources of government funding for Australian schools means it is important to base comparisons on total government funding, not just funding from the Australian Government. It is also important to use per student amounts if funding comparisons are to be meaningful.

### Socio-economic profile of students

Under the previous funding model (the SES model), students attending schools with a higher SES profile were eligible for less funding than those attending lower SES schools. Schools such as special schools, special assistance schools and majority Indigenous student schools were deemed to be at the lowest possible SES and therefore received the highest level of recurrent funding.

While the funding model has changed and schools are now funded according to a Schooling Resource Standard (SRS), non-government schools' SES scores are still being used to determine a school community's 'capacity to contribute'.

This means that the amount of base funding received by non-government schools is dependent on the school community's estimated capacity to contribute to the cost of schooling. Schools with a higher estimated SES receive less per capita base funding.

### Parent contribution

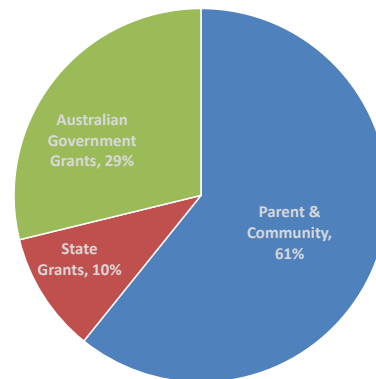
The private contribution to the cost of education made by parents and the school community represents the most significant source of funding for the independent school sector. Taking the sector as a whole, independent schools rely more on parents than governments for recurrent funding.

In the 2011-12 financial year, 60 per cent of the independent sector's recurrent funding was from private sources (mainly parents), while 40 per cent was from governments. The ratio of private to government funding varies greatly from school to school, as the diverse nature of the independent school sector ranges from high-fee urban schools to a remote independent Indigenous community 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.

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.

### Independent schools - Source of total income (2012)



### Total savings from non-government schools

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

<b>\$46.7 billion</b>
<b>Total government funding for all schools</b>
<b>\$36.5 billion</b>
<b>Total government funding for government schools</b>
<b>\$3.6 billion</b>
<b>Total government funding for independent schools</b>
<b>\$5.2 billion</b>
<b>Total family contributions to independent schools</b>

The cost to governments 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 \$8.9 billion in 2011-12.

Savings from independent schools are in the order of \$4.3 billion of this total.

**Non-government schools provide significant cost savings to governments.**