



INDEPENDENT SCHOOLS
COUNCIL OF AUSTRALIA

Independent Update

Number 8, 2018

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

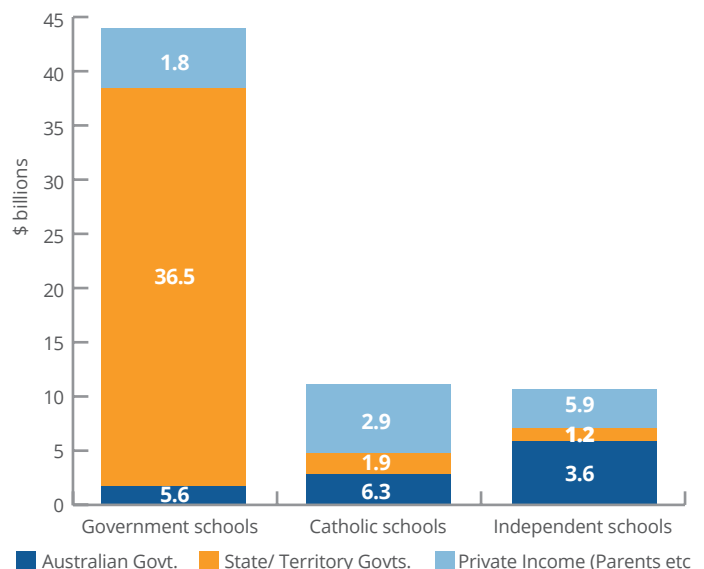
State and territory governments own and are responsible for government schools. Students in government schools receive the most government funding and the main source of this funding is the state or territory government that owns the school they attend.

Nationally in 2015-16 state and territory governments provided 86.2 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 75 per cent of total recurrent government funding for Independent schools in 2016.

Total government funding for a student in a government school is on average \$17,280 for 2015-16 – but for a student in an Independent school it can be as low as \$4,560. On average, total government funding for an Independent school student is \$8,850 for 2015-16.

Recurrent funding for school education in Australia 2015-16



Not all schools operate on the same levels of recurrent funding. The government sector receives 77 per cent of total government recurrent funding while it accounts for 65 per cent of student enrolments. The Catholic systemic sector receives 15 per cent of total government recurrent funding while accounting for 20 per cent of student enrolments. The Independent sector receives 9 per cent of total general recurrent funding while it constitutes almost 15 per cent of student enrolments.

In regards to capital funding, Independent schools receive approximately 11 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 SES funding 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 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.

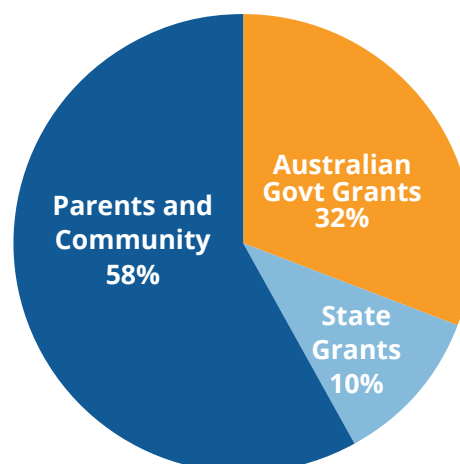
In the 2015-16 financial year, 55 per cent of the Independent sector's recurrent funding was from private sources (mainly parents), while 45 per cent was from governments. The ratio of private to government funding varies greatly from school to school, as the diverse nature of the Independent school sector ranges from high-fee urban schools to 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 nationally families met around 90 per cent of the cost of buildings and

equipment in 2015-16, mainly through school fees. Independent schools also rely on fundraising and donations for capital development.

Independent Schools - Sources of Total Income 2015-16



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.

Total government funding for all schools (2015-16)	\$55.1 billion
Total government funding for government schools (2015-16)	\$42.1 billion
Total government funding for Independent schools (2015-16)	\$4.8 billion
Total family contributions to Independent schools (2015-16)	\$5.9 billion

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 \$9.3 billion in 2015-16.

Savings from Independent schools are in the order of \$4.6 billion of this total.

Non-government schools provide significant cost savings to governments.