



## The funding partnership

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

The profile of partnership support is different in each of the three school sectors.

In the government schools sector, the state or territory government that owns the schools contributes most of the funding. In the independent sector, most funding is contributed by parents.

### Public funding of school education

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.

Comparisons of public funding for students in different school sectors that refer only to Australian Government funding are misleading.

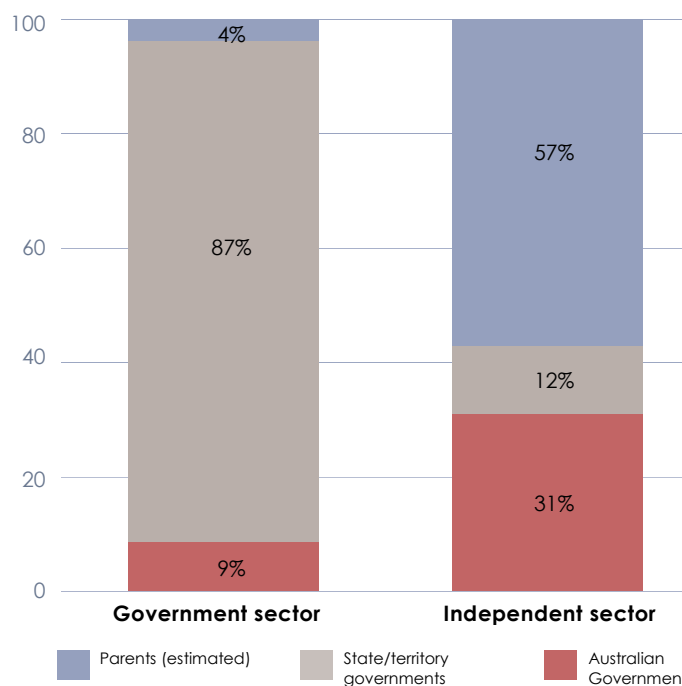
Students in government schools receive the most public funding, and the main source of this funding is the state or territory government that owns the school they attend.

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.

Combining both state and federal funding, public support for a student in a government school is on average \$11,243 each year – but for a student in an independent school it can be as low as \$1,690. On average, total government funding for an independent school student is \$5,292 per year.

Government funding for students in independent schools is allocated on a needs basis and the amount for which students are eligible varies from school to school.

**Funding partnership profile**  
Sources of recurrent funding for schools 2005-06



**All Australian school students receive some support from both their state or territory government and the Australian Government. For students in government schools, the main source of public funding is the state or territory government that owns the school they attend. The main source of public funding for students in the independent sector is the Australian Government. To compare public support it is important to take account of funding from both sources.**

### Parent contribution

There are 1,100 independent schools in Australia. Taking the sector as a whole, independent schools rely more on parents than governments for operational (recurrent) funding:

- 57 per cent of the independent sector's operational funding is from private sources (mainly parents)
- 43 per cent of the sector's operational funding comes from governments.

## Parents pay for facilities

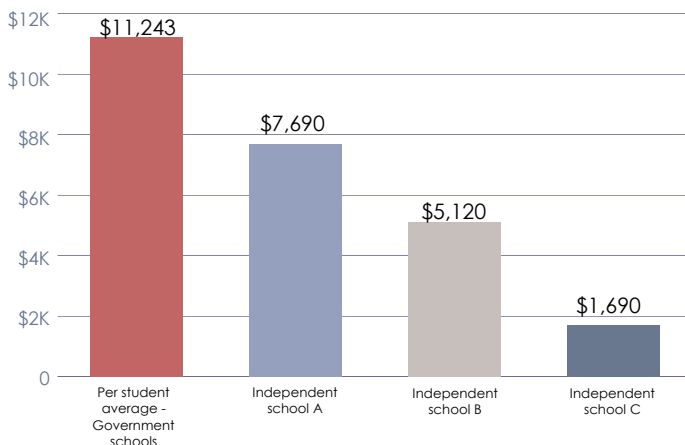
As well as operational funding to cover costs such as teacher salaries, all schools need capital funding to build and maintain the facilities and grounds that their students learn in.

In the independent sector, families meet around 82 per cent of the cost of buildings and equipment, mainly through school fees. Independent schools also rely on fundraising and donations for capital development.

The Australian Government makes available a small pool of capital funding for the independent sector. These grants go to independent school communities with limited capacity to raise their own funds.

The sector also welcomes the Australian Government's new *National Solar Schools Program*, *Trade Training Centres in Schools Program* and *National Secondary School Computer Fund*, which all provide further capital support.

Examples of per student total government funding for students in independent schools 2005-06



**Not all students in independent schools are eligible for the same level of public support. Students at high SES schools are eligible for the least public funding. While students in schools with a lower SES are eligible for more public funding, the total of government grants available is still lower than public support for a student attending a government school.**

## Savings to governments

Because parents in independent schools contribute substantially to the cost of their children's education, the cost to governments is lower than if these students were educated in government schools.

It would cost taxpayers another \$2.6 billion each year if independent school students were educated in government schools.

**The independent schools sector is the fastest growing but receives the least public support.**

## Funding according to need

State and territory government funding systems vary in their level of support for independent school students.

Most of the public funding for the independent sector comes from the Australian Government, which determines need according to a measure of the socio-economic status (SES) of a school's community. 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.

Students at independent schools with the highest SES scores are eligible for a minimum SES grant. This reflects an important principle: **that governments have a responsibility to support the school education of all young Australians, no matter where they go to school.**

## Enrolment growth and funding

Most public funding available to the independent sector is in the form of **per student grants**. As the number of students in the sector goes up, so does the total amount of funding.

The Australian Government has been criticised because operational funding to the independent schools sector is increasing at a greater rate than grants to government schools. However, the increase in funding reflects the growth in the independent schools sector.

In the last decade independent sector enrolments increased by 43.5 per cent. Enrolments in government schools grew by 1.7 per cent in the same period.

Increase in enrolments by school sector 1985-2007

