



Important facts about schools funding

Education is an issue of high national importance and public debate must be based on fact, not misinformation.

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.

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.

The sectoral differences in the sources of public funding for Australian schools means it is important to base comparisons on total government funding.

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

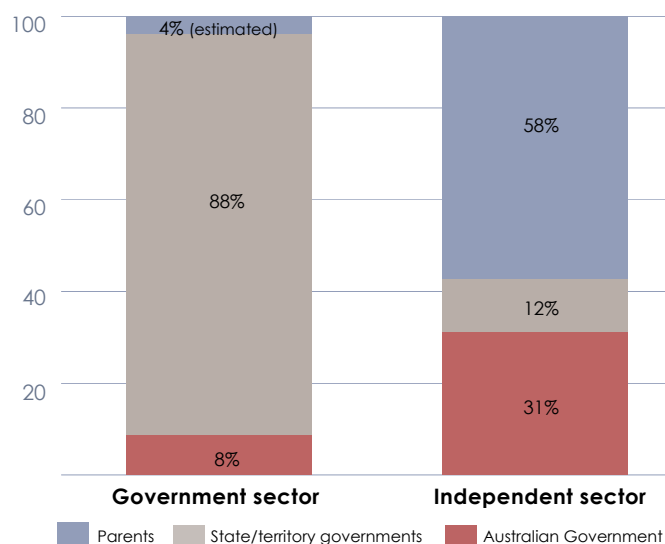
Combining both state and federal funding, public support for a student in a government school is on average \$11,874 each year – but for a student in an independent school it can be as low as \$2540. On average, total government funding for an independent school student is \$5810 per year.

It is important to use per student amounts if funding comparisons are to be meaningful.

It is misleading to refer to the quantum of general recurrent funding to an independent school – especially when totalled over the four years of a funding quadrennium – without reference to the size of the school. Recurrent funding totals for a school of, say, 2000 students must always appear high, especially if the school

In the independent sector, the largest proportion of costs is borne by parents.

Sources of recurrent funding for schools 2006-07



Governments provide most of the funding for government schools. Most of the income for the independent schools sector comes from families. 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.

has a high proportion of secondary students. Secondary students are funded at a higher rate than primary students. It is also important to remember that because of the difference in public support available to students according to the school they are enrolled in, total general recurrent funding to a government-owned school of similar size and student mix must always be greater.

Needs-based funding

The Australian Government's Socio Economic Status (SES) funding model provides the bulk of government funding available to independent schools. The SES model is a needs-based model in which relative need is

Increasing enrolments and indexation drive increases to SES grants for independent schools.

determined according to a measure of the socio-economic status 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 are eligible for more public funding.

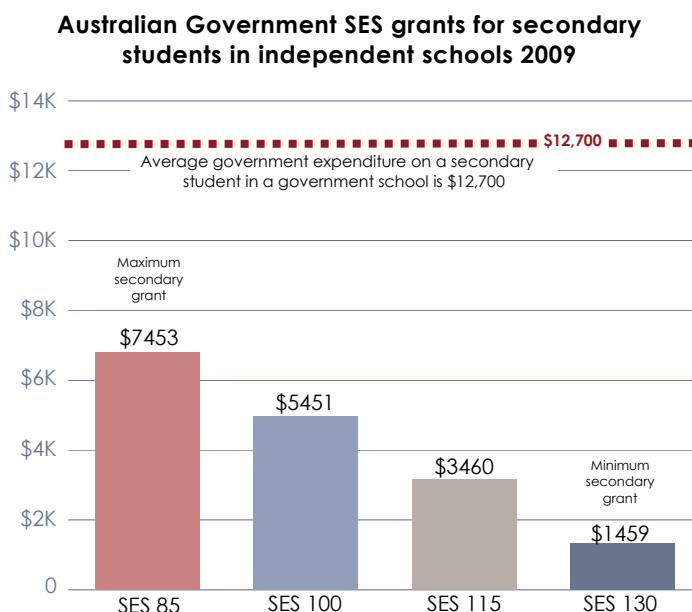
All students in non-government schools are eligible for some funding under the SES model in support of their education. The minimum grant is 13.7 per cent of a measure of Average Government School Recurrent Costs (AGSRC). There is a sliding scale of eligibility up to a maximum grant of 70 per cent.

For example, a secondary student attending an independent school with a high SES score of 130 is eligible for the minimum grant of \$1459, while a student at a school with a low SES score of 85 or less is eligible for the maximum grant of \$7453.

The maximum secondary SES grant is still well short of \$12,704 – the average total government recurrent cost of a secondary student attending a government school.

Using only quantum amounts to describe funding of independent schools obscures the equity dimension in SES grants.

The education of students at government schools is funded by governments irrespective of the socio-economic status of their families.



For primary students in independent schools, the minimum SES grant is \$1149 and the maximum is \$5866. The average recurrent cost of educating a primary student in a government school is \$10,330 per year.

Australian Government general recurrent grants are per student grants allocated on a sliding scale according to relative need. Students attending lower SES schools are eligible for greater public support, although the level of this support is still much lower than what the students would receive if they attended a government school.

Enrolment growth and funding

The Australian Government's SES funding model allocates general recurrent grants on a **per student** basis. As a school increases its enrolments, the quantum of its funding will therefore increase.

The Australian Government has been criticised because of increases to general recurrent funding to independent schools. The increase in funding to the independent sector reflects its sustained growth in enrolments.

In the last decade independent sector enrolments increased by 43 per cent. Enrolments in the government schools sector grew by 1 per cent in the same period.

Indexation and the rising cost of education

Schooling is becoming an increasingly expensive exercise and indexation helps public funding keep pace with rising costs. SES grants are indexed using a measure of average state and territory government recurrent expenditure on government schools.

For some years indexation has been increasing at a rate greater than CPI, reflecting wage increases for teaching and support staff and the increasing investment in schools demanded by curriculum and technological change.

For 2009, indexation will mean a 4.2 per cent rise in primary SES grants and 5.8 per cent rise in secondary SES grants.

Because annual indexation is based on a measure of increased expenditure in government schools, the increases in SES grants for independent schools can never be greater than or disproportional to increased expenditure in the government schools sector.

More information about independent schools is available at www.isca.edu.au