

INDEPENDENT SCHOOL FUNDING

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Independent schools receive funding from parents, the Australian Government and state/territory governments. Government support for Independent schools is fundamental for Australia's education system and enables diverse schooling options for families.

KEY POINTS

Misconceptions about funding non-government schools arise because the sector is diverse and generalisations are seldom meaningful.

The level of government funding for an Independent school depends on parents' capacity to contribute.

A key difference in the funding of government and non-government schools is that non-government school funding is reduced in line with parents' income. This means wealthy Independent schools receive less money than schools serving greater needs. Whereas every government school student is fully funded, regardless parents' incomes.

Schools in all sectors may be eligible for loadings to help address disadvantage or particular needs.

Funding of non-government schools has no bearing on funding of government schools.

State and territory governments are the main funders of government schools, whereas government funding for non-government schools is primarily from the Australian Government.

Increases to funding for government schools are generally due to indexation. For some years, Commonwealth funding for both government and non-government schools has grown at a faster rate than state/territory funding.

Total government expenditure in each school sector depends on the number of students in each.

The total amount of school funding – for government and non-government schools – grows with the number and characteristics of students – as enrolments increase, so too does the total amount of government funding. If enrolments fall in any sector, that sector receives less total funding.

The proportion of funding from governments for individual Independent schools varies greatly from school to school due to a huge range of circumstances that include the size, location and type of school.

Enrolments in Independent schools are increasing and therefore overall funding is increasing.

Enrolments in Independent schools are growing more than in government or systemic Catholic schools. This results in overall increases to government funding for the Independent school sector. ISA projections indicate this trend of enrolment growth is likely to continue.

Low to middle income families account for much of this growth and these students attract more government funding because their parents have a lower 'capacity to contribute'. This pushes up the average funding per student for the whole Independent school sector.

POSITION STATEMENT: INDEPENDENT SCHOOL FUNDING

The cost of educating students in Independent schools is shared between governments and families.

Overall, students enrolled in Independent schools save governments money because the cost of education is shared between parents and governments.

Funding for recurrent expenditure and capital expenditure are treated quite differently.

Most of the government funding for Independent schools is for recurrent expenditure. The majority of capital expenditure by Independent schools is funding by school communities.

THE FACTS

- Commonwealth and state/territory governments spend a combined total of around \$70 billion on school education. Of this, most (three fifths) goes to government schools.
- Two thirds of school enrolments are in government schools, which received three quarters of total government expenditure on schooling. In comparison, non-government schools (Independent and Catholic) accounted for one third of enrolments and one quarter of total government expenditure.
- Independent school students attract considerably less government funding than their counterparts in government schools. Total government spending on government schools averages about twenty thousand dollars per student compared with about eleven thousand per student in Independent schools. This is little more than half the average spend per student in government schools.
- The proportion of government funding for individual Independent schools varies greatly from school to school. Some Independent schools receive less than ten per cent of their funds from governments, while others, where the parents and school community have extremely limited capacity to contribute, are almost fully funded by government.
- The proportion of government funding for individual Independent schools varies greatly from school to school. For example, an Independent school with the wealthiest parents attracts only twenty per cent of the government funding that a public school in the same suburb would receive. Even non-government schools serving the lowest-income families receive less than the public school serving the same community.

— Funding model

Funding of all schools (government and non-government) is based on the Schooling Resource Standard (SRS); an annual estimate by the Australian Government of the cost to educate a child.

The SRS consists of a base amount for each student plus additional funding called 'loadings' for six types of disadvantage (disability, low English proficiency, Aboriginal and Torres Strait Islander, socio-educational disadvantage, school location and school size). Disadvantage loadings are fully funded for all eligible government and non-government schools by state/territory and Commonwealth governments.

The SRS base amount covers 'recurrent' spending such as salaries, power, water, insurance and general maintenance (*not* building works).

State/Territory and Commonwealth governments jointly fund the SRS. The state/territory governments are the main funders of government schools, whereas the Australian Government is the majority government funder of non-government schools. Governments only pay some of the SRS for non-government schools, depending on the parents' capacity to contribute. This is

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calculated according to the median parental income at each non-government school. For every student attending a government school, the SRS amount is fully funded by taxpayers, regardless of the income of parents.

RELATED INFORMATION

- ISA website – [School funding model](#)
- ISA website – [Capital funding](#)
- ISA [Trends and Projections Report](#)
- ACARA website: [Non-government schools](#)

ⁱⁱ Non-government school sector typically includes Independent schools and systemic Catholic schools.

ISA IS THE PEAK BODY REPRESENTING 1,187 INDEPENDENT SCHOOLS WITH 667,259 ENROLLED STUDENTS.

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