



# Quality Schools

## New fairer school funding from 2018

### The Australian Government is delivering record and growing funding for schools

A record \$242.3 billion will be invested in total schools recurrent funding from 2018 to 2027, including \$81.1 billion over 2018 to 2021.

Funding for schools will grow from a record \$17.5 billion in 2017 to \$30.6 billion in 2027. Funding will grow faster than broader economic growth, with total Commonwealth funding growing by approximately 75 per cent over the next 10 years and funding per student growing at an average of 4.1 per cent each year.

We will transition all schools to consistent Commonwealth shares of the Schooling Resource Standard by increasing Commonwealth funding:

- from an average of 17.0 per cent of the Schooling Resource Standard for government schools in 2017 to 20 per cent in 2027, reflecting the Commonwealth's role as the minority public funder of this sector.
- from an average of 76.8 per cent in 2017 for non-government schools to 80 per cent in 2027, reflecting the Commonwealth's role as the primary public funder of this sector.

At the national level, funding per student for all sectors will continue to increase in real terms. As a result of this truly needs-based funding model, funding for government schools will grow more quickly than for non-government schools. Over the next 10 years:

- funding for government schools will grow by an average of 94 per cent, with total Commonwealth recurrent funding for government schools of \$100.8 billion from 2018 to 2027.
- funding for non-government schools will grow by an average of 62 per cent, with total Commonwealth recurrent funding for non-government schools of \$141.6 billion from 2018 to 2027

This funding growth means schools will be able to continue and expand successful programs such as specialist teachers or targeted interventions for children falling behind.

### New school funding arrangements are fair, transparent, equitable and needs-based

New arrangements will be focussed on student need, with a Schooling Resource Standard as recommended by the 2011 *Review of Funding for Schooling* that provides a base amount per student and additional funding for disadvantage.

Students with greater needs will attract higher levels of funding from the Commonwealth.

The Australian Government will remove the special deals that currently mean students with the same needs within the same sector receive different levels of Commonwealth funding, simply because of the state where they live.

Under the new arrangements, students with the same need within the same sector will attract the same support from the Commonwealth, regardless of the state where they live.

This means that states will no longer be disadvantaged for funding their schools well as has been the case.

## **The 10 year transition to the new model is fairer and faster**

There will be a 10 year transition to consistent Commonwealth funding for all schools and states to help them adjust. This means that all schools will receive their fair share of Commonwealth funding within a decade, compared to more than 150 years under current arrangements.

The schools that are furthest behind will receive the fastest increase in funding.

## **Indexation will initially grow faster than real costs**

To give education authorities certainty, the Government will honour its 2016 Budget commitment to grow the funding standard at 3.56 per cent from 2018 to 2020, which is higher than real cost growth.

From 2021, the funding standard will grow at whichever is the higher of three per cent or a floating indexation rate based on economy wide measures of 75 per cent Wage Price Index and 25 per cent Consumer Price Index. The current Treasury projections used to calculate this measure are available in the Australian Government 2017-18 Budget, Budget Paper No. 1, Statement 1: Budget Overview, Table 2. This approach will provide a minimum base and certainty for schools while ensuring that funding reflects real changes in wages and inflation costs.

## **Improved funding arrangements will help non-government school communities**

Under improved Commonwealth capital grants arrangements for non-government schools, funding will now take account of enrolment growth, which is consistent with arrangements for government schools.

The additional funding of \$300.0 million over 10 years will help disadvantaged non-government school communities to provide good quality school infrastructure, which in turns supports better outcomes for disadvantaged students.