



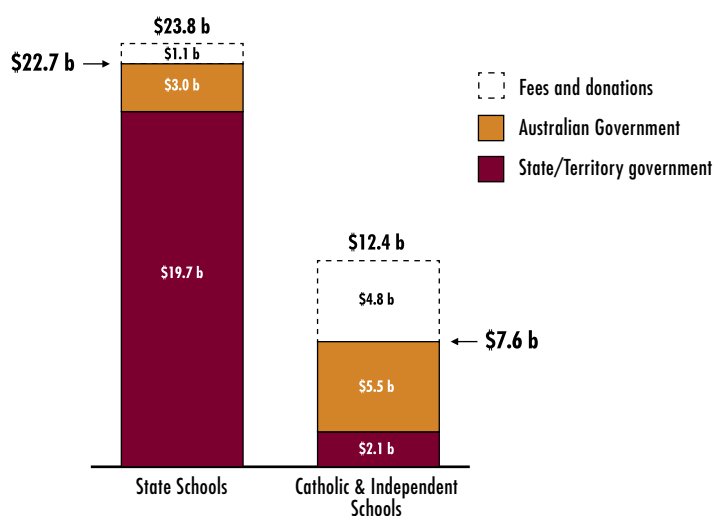
# SCHOOL FUNDING – the facts

To understand the issue of school funding, it is important to consider the combined funds from both the Australian Government and the State or Territory governments. Each level of government contributes funds to schools with the State and Territory governments having the major financial responsibility for their own state schools, while the Australian Government is the primary source of public funds for Catholic and Independent schools.

Overall, state schools receive considerably more public money than Catholic and Independent schools. There are 2.2 million students who attend state schools and they receive \$22.7 billion of public funding. There are 1.1 million students who attend Catholic and Independent schools and they receive a total of \$7.6 billion of public funding.

In other words, state schools enrol 68% of students and receive 75% of total public funding for schools, while Catholic and Independent schools enrol 32% of students and receive 25% of total public funding.

TOTAL PUBLIC AND PRIVATE FUNDING TO SCHOOLS 2005-06



Source: 2005-06 Budget statements, DEST analysis, ABS data

## THE FUNDING OF STATE SCHOOLS

Under the Australian Constitution, state schools are the responsibility of State and Territory governments. The State and Territory governments own the state schools, manage them and provide about 88% of their public funding. The Australian Government is a significant contributor to state schools. Australian Government funding has risen by an estimated 93% since 1996. Inflation over this period was about 22% and enrolments have been steady.

The 2005 Australian Government Budget delivered an estimated 8% increase to state schools including a 35% increase in funding for school buildings and maintenance. Meanwhile, the average State and Territory government budget increase to their own schools was only 3.9%.

2005 BUDGET INCREASES TO STATE GOVERNMENT SCHOOLS

State	State govt Increase in its 2005 Budget	Australian Govt increase in its 2005 Budget	Additional funding if state/territories increased their funding at the Aust Govt rate
NSW	4.3%	7.8%	\$241m
VIC	4.3%	8.8%	\$217m
QLD	5.1%	7.6%	\$99m
SA	-0.4%	7.3%	\$133m
WA	2.5%	8.6%	\$161m
TAS	NA*	NA*	NA*
NT	2.9%	4.9%	\$7m
ACT	2.6%	8.7%	\$24m
<b>Total</b>	<b>3.9%</b>	<b>8.0%</b>	<b>\$882m</b>

Source: 2005 Budget Statements, DEST analysis

\* Tasmanian budget papers do not provide sufficient details to calculate increase.

## FUNDING OF CATHOLIC AND INDEPENDENT SCHOOLS

The Australian Government funds non-government schools according to a formula which measures the socio-economic status of the communities they serve.

Schools which draw students from the neediest communities receive from the Australian Government 70% of the cost of educating a student in a state school. Schools serving the wealthiest communities receive about 13.7% of that cost.

The States and Territories also provide some assistance to Catholic and Independent schools. The formulae vary from state to state, but their contribution is small relative to the Australian Government's.

Every student attending a Catholic or Independent school attracts less public funds than a student in a state school.\*

If all the students who currently attend Catholic and Independent schools enrolled in state schools, then taxpayers would need to contribute an additional \$3 to \$4 billion a year.

The Australian Government's funding formula for Catholic and Independent schools does not take into account the size of a school's fees or a school's existing asset base because such an approach would penalise parents for spending their own money on their child's education.

## FUNDING OF HIGHER FEE SCHOOLS

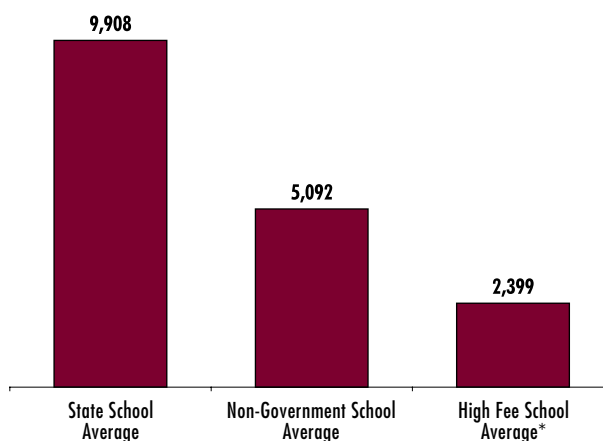
The Australian Government believes that every parent, having paid their taxes, deserves some level of public assistance to support the education of their child, regardless of which school their child attends.

The higher fee schools (sometimes referred to as the former Category 1 schools) are funded according to the same formula that determines the funding for all non-government schools. Because the communities they serve tend to be wealthier on average, the higher fee schools receive less money per student from the Australian Government.

\* The possible exception of students attending Independent Indigenous schools and other schools serving highly disadvantaged communities.

A student attending one of the 59 higher fee schools attracts about 1/4 of the public money received by a student attending a state school. In some cases it is as little as 1/7 but all students receive some support.

PER STUDENT FUNDING OF SCHOOLS: 2003 COMPARISON (\$)  
(Total Australian and State government funding)



Source: Based on 2003 data for non-government schools and 2002-03 (inflation adjusted) data for state schools.

\* The 59 former category 1 schools

## CATHOLIC AND INDEPENDENT SCHOOLS SERVE FAMILIES OF ALL INCOME LEVELS

It is sometimes said that Catholic and Independent schools only serve wealthy families. This is incorrect. For example, 2001 Census data shows that one in five students from families earning less than \$20,800 per year attend Catholic or Independent schools.

Half of all parents with children at Catholic and Independent schools pay less than \$1,857 per annum in fees per child (2003 data). In comparison, 49% of students from families earning more than \$104,000 per year attend state schools. Nearly all the growth in Catholic and Independent schools has been in low fee schools.

On average, Catholic and Independent schools receive less recurrent funds per capita from all sources (ie including fee income) than state schools. Catholic schools receive about 20% less while Independent schools receive an amount similar to state schools.